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Latin America Report

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23 July 1984

LATIN AMERICA REPORT

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FOREIGN MINISTER CAPUTO DEFINES MINISTRY'S FOREMOST AIM

Buenos Aires A FONDO in Spanish Apr-May 84 pp 11-13

[Interview with Foreign Minister Dante Caputo: "Our Country Must Be in the World"; date and place not given]

[Text] Question: Would it be correct to state that one of the main foreign policy objectives now is to defuse the areas of conflict--particularly the Beagle channel and the Falklands--to decrease possible occasions of war and, therefore, contribute to the demilitarization of Argentine society?

Answer: Yes.

Question: As to the Beagle channel, what happened about the broad Chilean demands in the Atlantic does not agree with the fact that, in spite of the new current of good will that the Argentine Government expresses, the tradition of pressuring our country with renewed border disputes in order not to finally give in to the demarkation continues to prevail on the other side of the Andes.

Answer: No, in a complex negotiation like the Beagle case, finding a satisfactory solution for both parties is difficult.

Naturally, each side works so that the final solution incorporates the majority of elements that favor its position.

Question: Your government has revealed the hope of returning to 1 April 1982 in relation to the Falklands. Wasn't that situation a constant British refusal to negotiate seriously about sovereignty? Wasn't it also less demanding than today when London has to maintain a costly military presence on the islands? In spite of the known mistakes and failures, didn't the Falklands operation obtain advantages like the military expense for the British and the international repercussions that could be exploited today?

Answer: The Argentine Government has been repeating that inclusion of the topic of sovereignty is an indispensable requirement in order to seriously negotiate with the United Kingdom.

The main advantage for Argentina lies in the fact that its democratic government has proclaimed its firm determination to achieve settlement exclusively through peaceful means.

Therein lies the significance of our desire to take the negotiations back to the point they were at on 1 April 1982.

Question: Dr Alfonsin's government has begun a political opening toward the European social democracies but a recent French delegation indicated to Argentina that there will be investments only when our country undertakes negotiations on the foreign debt. What concrete results has the European opening had so far?

Answer: I don't believe there is a political opening to European social democracy by the government. The facts show that the victory of our people, through their own efforts, demonstrated the vitality of democracy in our country and won the sympathy of all the democracies in the world, not just those with social democratic governments. The latter govern now in the countries with which we have traditional ties due to migratory currents, the language and the culture like Spain and France. Consequently, what is called an "opening" is only the reestablishment of cordial ties. It would not be correct to allude to the establishment of "special relations" with certain political parties.

What happens is that those contacts became impossible in the years of the Process, especially because of the human rights policy in our country, unacceptable not only by the social democracies but all the civilized governments.

Obviously, an increase in personal contacts by the leaders of our country has occurred. Our country must be open to the world based on the scheme I have already indicated repeatedly. The priority of our framework of action begins in Latin America and continues then to North America and Western Europe.

Question: There is the impression that Argentina, from World War II until the negotiations on the foreign debt today and including the Falklands crisis, suffers from a historical confusion facing the immense power of the United States. In each case, it begins by defying it only to finally give in to overwhelming pressures. We want to live like the First World and belong to the Third World. Are we clear about our position in the international system?

Answer: Actually, it seems an exaggeration to me to state that there is this widespread impression that you indicate. The tensions--undeniable--in the relationship responded more to a series of misunderstandings caused partly by the asymmetry that dominates the tie than to an Argentine "historical confusion."

Argentina perceived itself as fit to play a role that the United States did not recognize. It is obvious that our lack of continuity and stability probably contributed to Argentina being catalogued as "unpredictable." This led Washington traditionally to conceive of very short-term strategies for Buenos Aires.

When our country knew how to clearly define its objectives toward the United States, bilateral relations developed in a climate of rationality.

With respect to our position in the international system, I don't believe that the **contradiction** your question seems to assume exists.

We know that we share common concerns with countries with which we disagree ideologically: problems of growth, the arms race of the superpowers, discrimination in international trade and the negative impact that the East-West conflict has on our nations. These common interests create an atmosphere for dialogue.

However, that atmosphere does not affect the other, our basic convictions.

We share the values of the West. We believe in individual freedom, respect for human rights, pluralistic democracy without restrictions or censorship and private enterprise as one of the motors of the economy.

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CS0: 3348/462

MAXIMUM POLITICAL REPRESENTATION SEEN ESSENTIAL TO STABILITY

Buenos Aires LA PRENSA in Spanish 11 Jun 84 sec 2 p 2

[Article by Federico Clerici: "Bipartisanism in Argentina?"]

[Text] In recent weeks there have been repeated comments by top leaders of the government party that the political preferences of the Argentines indicate that our country is bipartisan.

If this statement is based on the results of the last election, it would appear to be correct. For a better evaluation of the Argentine political situation, however, I believe there must be an analysis from at least four viewpoints:

The election results from 1946 to 1983; representation of the different political ideologies of the Argentines; the political achievement of federalism; and the best bases possible for consolidation of the Argentine democratic process.

Election Results

We have had two types of elections from 1946 to 1983: those in which one voted for or against Peronism and those in which Peronism did not participate or was not feared.

In 1946, 1951 and 1983 there were elections in which one voted for or against Peronism. The results were as follows:

1946: Peronism, 52 percent; Democratic Union, 42 percent

1951: Peronism, 62 percent; UCR [Radical Civic Union], 31 percent

1983: UCR, 52 percent; Justicialist Party, 40 percent

Although Peronism did not participate in 1958, it gave its votes to the UCRI [Intransigent Radical Civic Union]. The election was again polarized with the following results:

UCRI, 44 percent; UCRP [People's Radical Civic Union], 28 percent

The 1963 elections were a clear example of how the vote of the Argentines is not polarized when there is no fear of Peronism. Peronism did not participate in those elections and the results were:

UCRP, 25 percent; UCRI, 16 percent; blank votes, 19 percent

In 1973 the vote was not polarized even with the participation of Peronism because many Argentines (still not voting for FREJULI [Justicialist Liberation Front]) believed that Juan D. Peron was the solution the country needed. Consequently, the results were:

March 1973: FREJULI, 49 percent; UCR, 21 percent; APF [Federalist Popular Alliance], 14 percent

September 1973: FREJULI, 61 percent; UCR, 24 percent; APF, 12 percent

These results from 1946 to 1983 (in which parties with less than 10 percent of the votes are not included for clarity) show how the Argentine electorate is polarized when there is a vote against Peronism and how there are other political alternatives when Peronism does not participate in the election (1963) or its participation is not feared (1973).

Representation of Ideologies

If we extracted the conclusion that Argentina is a bipartisan country from the 1983 elections, we would find that two groups of citizens would have political representation in the future: those who are authoritarian politically and statist economically and those who are liberal politically and statist or interventionists economically.

A major segment of the Argentine people who are liberal politically and for private initiative economically would remain without representation.

Another segment (so far unimportant numerically but with a very definite ideology) which advocates socialism for our country would also remain without representation.

It seems obvious that the more the Argentine citizenry feels represented in the government, the more stable the democratic process that we now begin will be.

The possibility of excessive division of political representation through dozens of political parties has already been avoided through the Political Parties Law now in effect.

Political Federalism

To pretend that Argentina is bipartisan would mean ignoring the existence of traditional and highly representative parties in many provinces in the country.

Federalism has been proclaimed many times in the past and practiced few times. To recognize the political existence of provincial parties is a real way to carry out the federal principles of the National Constitution.

Consolidation of Democratic Process

There is no question that even a very optimistic view of the present and future shows us that, with the elections of 30 October 1983, we have barely begun to travel the road to democracy. Obviously, all the political decisions must aim at consolidating this process in the short, medium and long term. We Argentines must fight hard to overcome the 50 years of political instability we have gone through.

I believe that maximum participation by all Argentines is one of the indispensable requirements for consolidating democracy. If we assumed that the National Executive Branch will be occupied by a UCR or Peronist leader in the foreseeable future based on the election results of the last 37 years, then the best way of insuring the representation of all political sectors is through the Legislative Branch.

Maintaining the system of proportional representation will not only show that Argentina is not bipartisan but will also serve as reinsurance for this incipient democracy since it will permit the Legislative Branch to act as a truly independent branch from the Executive Branch.

Conclusions

The election results from the past 37 years have shown polarization of the electorate only when some of the Argentines were afraid of Peronism.

An electoral law that permitted the representation of only two parties would prevent the representation of other important ideologies in the Legislative Branch.

It is necessary to recognize the existence and representativeness of the provincial parties.

Maximum participation and representation of the Argentines are basic conditions to consolidate the democratic process as is the political independence of the Legislative Branch.

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CSO: 3348/462

ALFONSIN'S SHIFT IN POLITICAL STRATEGY ANALYZED

Buenos Aires SOMOS in Spanish 15 Jun 84 p 24

[Article by Polibio: "Political Key"; passages enclosed in slantlines printed in italics]

[Text] If we analyzed only the political strategy of the government, we would call this "The retreat." There is little left of the initial impetus in this sector. In his campaign, candidate Alfonsin announced a vigorous attack on the corporations that had dominated Peronist and military Argentina in recent years. The minute he took office, President Alfonsin began to fulfill his promise by eliminating the positions of commanders in chief of the armed forces and by proposing a union law that would revolutionize union leadership in detriment to the traditional bureaucracy. Thus, the attack on the military and union leaderships followed denunciation of the military-union pact during the campaign.

Only a few months after that offensive, appeasement follows combativeness. On the military plane, the trials for human rights violations tend to peter out. In Mendoza, the army again parades before the president, presaging reconciliation. On the union plane, an electoral law to the liking of the traditional bureaucracy replaces the original bill while the return of social benefits is imminent. We could add that the church, coldly viewed by the new government at first, now has a statement signed by the president and Mrs Peron on the possibility of an agreement over the Beagle channel based on the guidelines of the papal proposal and the postponement of the topic of divorce through support for the family.

Retreat

Has the president yielded to the corporations, then? It is difficult to say. The UCR [Radical Civic Union], only great Argentine party with a politically liberal tradition, must still suspiciously view competitive organizations whose political projection is authoritarian, corporative, not liberal. What has happened is that after having tried in vain to attack them frontally, the government now seeks to envelop them, attract them, win them over to democracy. The frustrated /rape/ is followed by /seduction/. The objective is the same. As the Alfonsin-Mrs Peron document proves, the president uses good instruments to try to achieve what he couldn't using bad instruments. He has a good chance of

succeeding. On one hand, his rapport with Isabel Peron and, in passing, with Arturo Frondizi puts a damper on important sectors of the opposition. On the other hand, he widens the existing gaps between authoritarian Peronism which Mrs Peron and her /command/ incarnate--military voice that expresses the political vocation of its founder--and the Peronism that wants to democratize itself through important leaders like Luder, Bittel, Saadi, Matera and Grosso, all excluded or self-excluded from the Isabel group like the discredited but powerful Miguel and Iglesias.

Alfonsin's political objectives in this sense have not changed. He wants to advance on the opposition, weakening it immediately as a possible source of dissent and preparing to take new contingents of voters away from it--particularly Peronism--in the partial elections of 1985.

Persistence

The president's political retreat, going from /rape/ to /seduction/, is only a tactical, deliberate retreat that plans to take two steps forward after one step backward. The same does not occur on the economic plane. The Letter of Intention signed by Minister Grinspun does not offer the IMF any solid basis for agreement. What is serious is not that Grinspun has ignored the prior agreement with the IMF representatives in Buenos Aires to send the letter to Mr Larosiére. What is serious is that, in his communication, he does not include the minimal guidelines that economists connect to any effort toward improvement and recovery. It does not include the slightest decrease in public expenditures--rather, an increase--nor a stimulus to exports through a time-honored devaluation--only a vegetative growth is expected. Meanwhile, inflation which has risen considerably during the Grinspun administration is treated as a minor problem.

What is important in this economic plan is that it continues focusing on modest short-term objectives--maintaining popular consumption through price and wage controls--without attacking the in-depth problem, private investment's lack of confidence. The absence of this investment leaves the economy without a true growth impulse. The UCR government will continue negotiating with the IMF from hard positions and will avoid as much as possible the cut-off of payments and hyperinflation. It will not do much more because, having placed the political above the economic, it is not willing to pay the political price of a real effort for improvement and development. President Alfonsin's global objective is to consolidate the bases of the political victory of 30 October, making the economy serve that objective. What can be expected from his administration if he achieves what is proposed is the political weakening of Peronism, the subsequent strengthening of the UCR, probable compensatory advances by the left and the center-right and, economically, the painful prolongation of our decline for 6 more years. Based on what has happened in the past, this prospect is not the worst thing imaginable. The country already had its economic miracles--Frondizi-Alsogaray in 1959-1961 and Onganía-Krieger in 1967-1969--which did not last long because of lack of political support. Now the reverse is tried: first, political support and, if all goes well, the economy will follow.

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CSO: 3348/462

GDP GROWTH DEPENDENT ON CONTINUED EXPORT PERFORMANC.

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jun 84 p 40

[Text] The most conservative official estimates indicate that, this year, the gross domestic product (GDP) will have a growth of between one and one and a half percent; but that performance will depend basically on the maintenance of the exports performance, and the latter on the receptiveness of the American market to which nearly 60 percent of our sales of manufactured goods will be sent this year. Up until April, the exports of this leading item in our trade balance to the United States had increased 74 percent in comparison with the same period last year.

But the recovery of the economy will also depend on the degree of spread of the increase in exports to the various sectors of industry, commerce and services and prices of farm products on the domestic and foreign market. According to SEPLAN's [Secretariat of Planning] analysis, the reactivation will occur despite the continuance of an inflation rate that is still considerably high, one that should reach somewhere in the area between 150 and 180 percent by the year's end. According to the planning minister, Delfim Netto, this inflation will not fall more, because it stems from the adjustment process itself, and its relative decline will depend on the success of a more restrictive monetary policy that is being implemented by the Central Bank.

Industrial Reactivation

According to the chief economic adviser to the Ministry of Planning, Akihiro Ikeda, the industrial segments directly linked to exports are growing, but along with them there has also been a growth in the peripheral industries, with a growth in the level of income and real wages of the workers directly associated with the growing sectors.

The government expects that the growth in exports of manufactures will bring about a chain reaction in the intermediate sectors of industry, and cites as an example the steel wire-drawing industry, which virtually doubled its production and sales this year, in comparison with last year, to fill the orders from the exporting industry.

In any event, that analysis was compared with the figures recently published by FIESP [Sao Paulo State Federation of Industries], which show that, during the period from January to April of this year, production directed exclusively toward the domestic market dropped 14 percent, with negative performances recorded for the segments of construction materials, with -11.9 percent; plastic materials, with -25.1 percent; foodstuffs, with -10.9 percent; furniture, with -9.3 percent; and electrical and communications materials, with -3.9 percent, compared with the production levels for January-April 1983.

The Anti-Inflation Battle

The government admits that the inflationary explosion was the price to be paid for the policies of internal adjustment, all of which were inflationary; but Minister Delfim Netto guarantees that the tensions caused by the rise in the exchange rate, the control of imports and the increase in interest rates have been virtually absorbed. However, there remain two items exerting pressure on the price indexes: farm products and the monetary policy.

In connection with farm products, technicians from the Getulio Vargas Foundation think that, during the second half, some of those products will have their prices substantially raised (particularly beans, rice, corn and soybeans), as a result of the insufficient production to meet the consumption and the lack of regulator stocks. In the case of rice, for a harvest of 8.5 million tons, there is a projected consumption of 9 million tons; and, in the case of beans, a production of 2.2 million tons for a consumption of 2.4 million tons.

However, SEAP [Special Secretariat for Supply and Prices] rejects this sales volume, claiming that, if there are no surpluses, they can hardly occur, either with regard to rice and beans, and even with corn. SEAP prefers to attribute this analysis to speculation aimed at artificially causing a situation marked by domestic shortages, thereby forcing prices upward.

During the first 5 months of the year, the so-called "food inflation" showed no signs of dropping. In the composition of the wholesale price index, whereas production goods alone had an increase of 227 percent for the 12 months, foodstuffs showed a 316 percent variation during the same period. In the item of overall supply, also in the composition of the WPI, industrial products rose 223.9 percent during January-May, while farm products changed 351.2 percent.

Among the seven items comprising the consumer price index, the food item changed 237.9 percent, between 40 and 60 percentage points above the variation in the other components, including clothing and housing..

In connection with monetary policy, the government is faced with the conflict of having to inject funds into the financial market (over 3.0 trillion this year) to pay off some of the public bonds held by the financial institutions and, in this way, reduce the (real) operational deficit of the public sector negotiated with the IMF and thereby cause more inflation, inasmuch as it is offering an attractive remuneration for its securities, which are competing with an advantage over the fixed income securities offered by the private sector, including the bank deposit certificates.

RECORD JUNE EXPORTS, 1985 \$15 BILLION TRADE SURPLUS FORECAST

CACEX Export Figures

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Jun 84 p 34

[Text] According to the preliminary figures compiled by the Bank of Brazil's Foreign Trade Department (CACEX), this month Brazilian exports should set a new record for income, amounting to about \$2.4 billion. In May, exports brought in \$2.33 billion, the largest results in history.

During June, the balance of trade should also show a figure exceeding \$1 billion, but the CACEX experts think that the amount will be less than that accrued in May, when the surplus reached \$1.13 billion. From January to June, the balance of trade should total nearly \$5.6 billion; which makes the initial goal of a balance of \$9 billion, that the government set at the beginning of the year, increasingly easy to achieve.

During June, according to CACEX's preliminary estimates, imports should exceed those of May, pressured by oil prices. The calculations are that they will cost the country approximately \$1.5 billion, in contrast to imports of \$1.2 billion in May.

Industrialized Goods

According to the analysis of the trade balance for January-June, the tendency toward considerable participation by industrialized products in exports became marked, now representing two thirds of that total. During that period, industrialized goods (including manufactures and semimanufactures) brought in \$6.6 billion, progressing 38.75 percent over the \$4.8 billion recorded for the same period in 1983.

During May, manufactures provided \$126 million in foreign exchange, a result 11.54 percent higher than that in April, and a difference of \$291 million (31.39 percent) compared with May 1983. The lead was kept by the item "transportation material," which brought \$123 million, followed by "boilers, machines, apparatus and mechanical instruments," with \$111 million. In the cumulative period January-May, exports of manufactured products progressed 35.03 percent

in comparison with the same period the year before, increasing from \$4.1 billion to \$5.6 billion. During the first 5 months, the products with the best performance came under the heading "boilers, machines, apparatus and mechanical instruments," the exports of which amounted to \$526 million.

Details on Anticipated Surplus

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Jun 84 p 23

[Text] The chief of the Promotion and Markets Department of the Bank of Brazil's Foreign Trade Department, Jose Carlos Coimbra, stated yesterday in Porto Alegre that the surplus in Brazil's trade balance of approximately \$12 billion this year should increase to \$15 billion next year. "It is what we must seek and it is the number we are counting on." He added that this increment should occur primarily because of the diversification of consumer markets and the entry of new business firms, particularly small ones, into exporting activity.

Coimbra claimed that, this year, Brazil should end up with a total of \$27 billion in exports and \$15 billion in imports; and that the expectations for next year are that exports will increase to \$40 billion, while imports will amount to about \$25 billion. He stressed: "We are counting on a major decline in imports to allow for a resumption of the economy's internal growth."

Manufactured products, which were responsible for 60 percent of the country's exchange revenue last year, should increase their share this year, and the same tendency should be repeated next year in connection with this. As a result, the contribution from primary products has tended to decline: It was 3 percent less in 1983, compared with 1982.

The chief of CACEX's Promotion and Markets Department claimed: "Exports of manufactures are far more certain for several reasons. First, because of the value added that they contribute; and secondly, because they are not perishable products nor do they depend essentially on weather conditions and harvest results. And, what is most important, their prices are not manipulated on exchanges."

Footwear

Brazil's exports from the footwear sector are concentrated in a small number of products and markets, which makes the overall results vulnerable to any changes in the demand and to measures of a retaliatory nature adopted by the importing countries. This is one of the findings from the study which the Central Foundation for Foreign Trade Studies in Rio will submit at the First National Seminar on Footwear Exports, to be held in Novo Hamburgo, on 12 and 13 June.

The study also discloses that, although the exporting effort expended by the footwear manufacturers has afforded an increase in the sector's foreign sales from \$29.3 million in 1971 to \$716 million last year, enlarging this item's share of the country's total export line, there are indications that Brazil's products are not making real gains on the world market.

Rio Grande do Sul Poultry

Meanwhile, it was also reported yesterday in Porto Alegre that Brazilian poultry exports should amount to \$300 million this year, representing a recovery in excess of 20 percent over last year, according to Sergio Chisini, director of Pena Branca, Inc, Poultry Integration, one of the three largest poultry exporters in Rio Grande do Sul. The Brazilian producers benefited for several reasons, including the withdrawal of France, which had put up stiff competition, with a price subsidized as much as 48 percent.

During 1983, Brazil sold 289,300 tons of poultry abroad, representing \$242 million. This year, the volume will be slightly higher, with an increase in the anticipated exchange revenue; because the price received in 1983, of \$690 per ton FOB, has now risen to \$980.

2909

CSO: 3342/127

JUNE INFLATION RATE RISES TO 9.2 PERCENT; YEAR'S TOTAL 75.6 PERCENT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Jun 84 p 24

[Text] According to information released yesterday by the Getulio Vargas Foundation's Brazilian Institute of Economics [IBRE], after 3 months of consecutive declines (10.0 percent in March, compared with 12.3 percent in February; 8.9 percent in April and 8.9 percent in May), the inflation rate rose again this month, reaching 9.2 percent. According to IBRE (which is responsible for making the calculations), during June there was no readjustment (expurgation), which also occurred for the third consecutive month.

Now, the cumulative inflation rate for the year is 75.6 percent (73.8 percent with expurgation), and 226.5 percent for the past 12 months (198.6 percent when the adjustments are taken into account). During May, the accumulation for the last 12 months had reached the record index of 235.5 percent. Unlike what it does regularly, this time IBRE did not report the factors that ended up causing the 0.3 percentage point rise in the index, only explaining that, "The high rate of monthly variation noted in June 1983 (12.3 percent), in comparison with the 9.2 percent at present, explains that decline in the annualized rate."

Wholesale

During June, the wholesale price index (WPI) showed a 9.1 percent rise, raising the accumulation for the year to 76.7 percent, and that of the last 12 months to 243.6 percent, without the expurgations which occurred during the period. The production goods item was the one with the highest rate (12.2 percent), with its components showing the following variations: non-food raw materials, 11.3 percent; construction materials, 16.8 percent; and machinery, vehicles and equipment, 8.3 percent. The consumer goods item (divided into durable and non-durable) registered a rise of 6.6 percent. Among the durable goods (11.0 percent), the price of household appliances increased 10.9 percent, and that of other products, 11.4 percent. Among the non-durable goods (6.2 percent), food-stuffs increased 4.5 percent and other products, 12.3 percent. In the WPI, the largest percentual variations were the following: nitric acid (166.6 percent), calcium carbide (42.7 percent), cigarettes (40.4 percent), porcelain or AT glass insulators (37.5 percent), mate (37.1 percent), crystallized sugar (36.1 percent), electrolytic tinplate (35.0 percent), and common Portland cement (34.9 percent). The greatest percentual effects were caused by these products:

cigarettes (4.4 percent), common Portland cement (4.2 percent), cotton fabrics (4.0 percent), sawn or expanded wood (3.9 percent), crystallized sugar (3.3 percent), soybeans (3.2 percent), 200 to 1,000 mm cold rolled plate (2.8 percent) and wire bars (2.4 percent).

Consumer

The second component in the inflation calculation, the consumer price index (CPI), registered a 9.8 percent increase in June. Without expurgations, the accumulation for the year amounted to 73.4 percent, and for the last 12 months, 195.2 percent. The items comprising it showed the following rates of increase: food (8.9 percent), housing (9.7 percent), clothing (9.7 percent), household items (11.5 percent), health care and sanitation (9.6 percent), personal services (13.2 percent) and public services (5.7 percent). The greatest percentual variations registered in the CPI were: khaki (54.9 percent), kidney beans (33.1 percent), strawberries (32.4 percent), figs (32.3 percent), papayas (30.5 percent), watermelon (30.4 percent) and chayotes [cucumbers] (30.0 percent). The greatest percentual effects were due to French bread (6.4 percent), black beans (3.8 percent), powdered coffee (2.4 percent), refined sugar (1.9 percent), slaughtered chicken (1.8 percent), eggs (1.2 percent), soybean oil (1.0 percent) and yellow rice (1.0 percent).

CCI

The construction cost index, the third and last component of the calculation, had an 8.9 percent rate of increase, raising the accumulation for the year to 73.1 percent, and that of the last 12 months to 190.2 percent, without expurgations. The labor item showed a rise of only 1.6 percent, in comparison with 14.7 percent for the construction materials item.

2909

CSO: 3342/129

MINERAL PRODUCTION PROJECTED TO INCREASE 30 PERCENT IN 1984

Rio de Janeiro GAZETA MERCANTIL in Portuguese 20 Jun 84 p 11

[Text] Yesterday, in Sao Paulo, the minister of mines and energy, Cesar Cals, announced that, this year, Brazil's mineral production, including energy ores, should show an increase in value of about 30 percent in comparison with 1983's figure. If the minister's expectations are borne out, this will mean an increase from \$8.34 to \$10.84 billion.

The businessmen associated with mineral industry in the country queried by this newspaper agreed with Cals' forecast. Samuel Hanan, president of Brascan Natural Resources (BRN), in addition to believing in the possibility of the 30 percent increase, recalled that this result would be a consequence of the investment made in recent years. He remarked: "The principle that the mineral sector is an industry with slower development than other activities in the industrial area has been confirmed. The miner accepts the risks inherent in the sector, but does not accept the risk of non-compliance with the mining code."

Another factor which would make the optimism of the Ministry of Mines and Energy representative feasible is the "effort aimed at gold production," as Alain Belda, president of Alcoa Aluminum, Inc, stressed. According to Ian Rugeroni, president of Alcan Aluminum of Brazil, Inc, the projects being executed in the aluminum sector will guarantee part of the goal announced by Cesar Cals. In the specific instance of bauxite (aluminum ore), Rio do Norte Mining (MRN), in which Alcan has a 24 percent share, will supply 20 percent more in 1984 than during the last fiscal year.

Explosion

Jose Corgosinho de Carvalho Jr, president of the Iron Alloys Company of Bahia (FERBASA), even risked the claim that, "Over the short and medium term, Brazilian mining could explode." In his opinion, the lack of opportunities in other industrial segments are directing the country's investments toward primary activities such as agriculture and mining, making possible the utilization of small and medium-sized mineral deposits.

Ernesto Moeir, director of Geoklock-Geological and Mining Services and Projects, Ltd, commented: "An increment of about 30 percent is a completely possible estimate, because there will be a significant increase in the production of bauxite, gold, phosphate and cassiterite."

Amazon River Region and Gold

According to Minister Cesar Cals, the formidable effort on the part of Brazilian mining is the result of three items considered to be important: the mineral production from the Amazon River region will increase about 300 percent, the gold mining in the country will rise from 50 to 70 tons, while the cassiterite supply will show a sizable increment. Cals emphasized: "There are 48 new companies operating in the gold area, through the advance mining system; in other words, while they are still in the exploration phase, they already begin producing gold."

Insofar as the Amazon River region is concerned, the Eighth District of the National Mineral Production Department (DNPM), with headquarters in Manaus, disclosed that the gold production in their region (Amazonas, Acre, Rondonia and Roraima) totaled 582 kilograms, a 57.6 percent increase when compared with the figure for January-March 1983. During the same period, the gold extraction in the state of Amazonas alone was 959 percent greater than during the first 3 months of last year; while the supply of tin contained in concentrate increased 151 percent.

Jose Erasmo da Silva Santos, chief of the Eighth District's mineral economy division, stressed: "Our forecast for the national cassiterite (tin ore) production in 1984 is 35,000 tons. Last year, that volume was 23,100 tons."

2909

CSO: 3342/129

MAY UNEMPLOYMENT FIGURE OF 8.28 PERCENT HIGHER THAN APRIL

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Jul 84 p 32

[Text] Rio de Janeiro--The average rate of open unemployment during the month of May rose to 8.28 percent, it was reported yesterday by the Brazilian Institute of Geography and Statistics (IBGE). This rate was higher than that of April (7.71 percent) and represents an increase in the rates of open unemployment in the six metropolitan regions where the monthly employment survey is made, including Rio de Janeiro and Sao Paulo.

In an official note of the IBGE, the institute's president, Jesse Montello, says that the increased rates of unemployment do not contradict the reports of the nation's economic recovery. According to him, "the higher rate of unemployment may be explained, in fact, by the number of those persons who, although not belonging to the gainfully-employed work force, began to seek employment as a result of this recovery."

According to the IBGE data, the greater unemployment in all regions is due mainly to the increase in the number of women looking for work, recorded in five of the six regions surveyed: Rio de Janeiro, Sao Paulo, Salvador, Belo Horizonte and Recife. In Porto Alegre, male unemployment increased more than that of females.

For each metropolitan region the rates of open unemployment in May were as follows: Rio de Janeiro: 7.76 percent; Sao Paulo: 7.95 percent; Porto Alegre: 8.56 percent; Belo Horizonte: 9.72 percent; Recife: 10.18 percent (an increase of almost 1.6 percentage points as compared with April); Salvador: 8.94 percent. Unemployment among unremunerated self-employed persons increased in most regions, but unemployment among self-employed persons receiving less than the minimum wage declined in all regions.

8834

CSO: 3342/132

FIGUEIREDO'S PERCEPTIONS OF SUCCESSION CANDIDATES DISCUSSED

Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Jun 84 p 6

[Article by Haroldo Cerqueira Lima]

[Text] "The die has been cast and the rules of the game will not be changed. Now it's every man for himself and the one who wins will be the man who is best able to unite the party behind his name."

The statement is by President Figueiredo and it was made to a politician who visited him this week at Planalto Palace, eager for a more precise orientation on the direction the presidential succession would take.

And Figueiredo did not need any coaxing. He said his decision to turn the political coordination over to the PDS [Social democratic Party] was in earnest, and not to expect any new political gesture from him in this final stage of the process of choosing the party nominee; the candidates will go to the convention without receiving any formal support from him.

The president reiterated, however, that his support will certainly go to the candidate who comes to be nominated, because he is aware that this will be essential in bringing the party back together after the convention. "I will not intervene in the choice of a nominee, but afterward I will work for his victory in the electoral college," Figueiredo told the questioner.

Mosaic

From this and other recent conversations with Figueiredo, it is possible to form a political mosaic of presidential opinion on the four PDS candidates who have already launched campaigns. This does not mean, it should be stressed, that this picture cannot change again before the convention.

It was clear, for example, that Figueiredo's initial intention was to close ranks behind the name of Mario Andreazza--an intention which endured until the end of last year, when two fundamental data came into the president's hands: Andreazza's candidacy was not "catching on" within the PDS and, more important, the military chiefs were not solidly for him. The reasons noted for this were the minister's "inaction" and a lack of a "political constituency"; although Andreazza was given the freedom to work on his candidacy, he allowed his competitors to advance their cause inexorably with the party rank and file, while his strategy was limited to wooing the governors, in the mistaken expectation that they would do the rest.

Frustrated in this plan to support Andreazza, Figueiredo then decided not to involve himself with the other candidates, since he had personal reservations about all of them. Marco Maciel, the least "antipathetic" in the president's eyes, was seen as a young intellectual but without the political charisma capable of galvanizing the majority of the electoral college or winning the popular support that the first months of the future administration must necessarily count on.

Regarding Deputy Paulo Maluf, Figueiredo condemns his excessive appetite for power; he has even complained that Maluf is capable of trampling on his own shadow if it were essential to his run for Planalto Palace. There are those who say they have heard the president claim that the hastiness of the former governor of Sao Paulo, in launching his candidacy so far in advance, is the major reason why the PDS is totally divided today. However, he acknowledges Maluf's skill in handling the politicians of the PDS and even of the opposition parties, which may put him in a position to win over the convention and the electoral college.

Complaints

Figueiredo's biggest complaints are reserved for Aureliano Chaves. On more than one occasion, he has already described his vice president as a "traitor," among other stronger adjectives. The most frequent complaint, however, has to do with what he calls the vice president's "incoherence." At least one person who has spoken with the president guarantees that he heard the following outburst:

"Aureliano expected to be my candidate until last December, when I turned the succession process over to the PDS. Since then, he has launched himself, successively, as a candidate for indirect election, a candidate for direct election, a candidate of the Minas pact, an a priori candidate, and now he wants to be the candidate of the renegade [PDS] delegates to the electoral college."

6362

CSO: 3342/131

SURVEY SHOWS MALUF'S UNPOPULARITY; OPPOSITION REACTION

Six Capitals Reject Maluf

Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Jun 84 p 6

[Article by Francisco Foot Hartman]

[Text] A large majority of the Brazilian people dislikes Deputy Paulo Maluf. This is the broadest--and certainly most obvious--conclusion to be drawn from this week's FOLHA survey of six Brazilian capitals, conducted in a sample of 3,000 respondents. The weighted mean of responses to the first question--opinion of Deputy Maluf--gives a quite polarized picture: 61.2 percent of the respondents were opposed to the PDS [Social Democratic Party] candidate for indirect election (with 49.4 percent absolutely rejecting him and 11.8 percent with a more moderate rejection); and only 14.8 percent approved of him (8.2 percent enthusiastically and 6.6 percent moderately favorable).

The variation in the votes obtained in the six capitals reveals some interesting aspects. In Porto Alegre, for example, those totally opposed to the former governor of Sao Paulo reached 83 percent, the highest figure in the country. At the opposite end of the range was Salvador, where only 17.3 percent of those polled vehemently rejected the governor and where he received the greatest amount of sympathy (18.7 percent fully in his favor and 19 percent moderately favorable). In the case of the Gaucho capital, the result is not surprising; political opinion in Porto Alegre has traditionally been critical, because of the peculiarities of the regional history. Hence it is not by accident that there was practically no support for Maluf or even mild opinion about him.

The case of Salvador is perhaps less clear. The theory that the northeast is still the great electoral bastion of the PDS should be viewed with caution, bearing in mind the impressive victory of the opposition parties in the 1982 elections in certain areas of the northeast, including Salvador. The effects of the current dissension between former Governor Antonio Carlos Magalhaes (a first-line Andreazza supporter) and his sometime ally and now adversary Joao Durval cannot automatically be considered as the reasonable explanation for the discrepant trend in the survey results in the Bahian capital.

Any other explanation, however, must await future clarifying factors. It is certain that the citizens of Bahia took part in the demonstrations for immediate direct elections with the same intensity as the rest of the Brazilian populace.

Table 1. Survey Results in the Six Capitals

(1) Como o sr. se posiciona diante do deputado Paulo Maluf?							
(2) \ (3) CATEGORIAS \ CAPITAIS	São Paulo %	Rio de Janeiro %	Belo Horizonte %	Salvador %	Curitiba %	Porto Alegre %	Média Ponderada (1) %
É inteiramente a favor (4)	10.9	5.2	4.5	18.7	0.7	6.3	8.2
É moderadamente favorável (5)	5.4	7.2	5.0	19.0	0.3	10.2	6.6
É indiferente (6)	19.1	12.5	12.3	14.3	6.3	11.2	15.2
É moderadamente contra (7)	8.5	16.3	10.7	14.0	0.3	23.0	11.8
É inteiramente contra (8)	54.0	44.2	51.2	17.3	83.0	37.2	49.4
Não sabe (9)	2.1	14.6	16.3	16.7	9.4	12.1	8.8
Número de entrevistas (10)	1.000	600	400	300	300	400	3.000

[Table as published. On p 4 of FOLHA DE SAO PAULO, 18 June 1984, a correction is noted for this table. The responses listed under Curitiba should appear in in the column for Porto Alegre and vice versa.]

- Key:
- | | |
|---|---------------------------|
| 1. What is your opinion of Paulo Maluf? | 7. Moderately opposed |
| 2. Categories | 8. Totally opposed |
| 3. Capitals | 9. No opinion |
| 4. Entirely favorable | 10. Number of respondents |
| 5. Moderately favorable | 11. Weighted mean |
| 6. Indifferent | |

This observation removes the easy temptation to resort to certain sociological analyses, both traditional and elitist, which seek to infer the "level of political awareness" of a particular social segment purely on the basis of statistical data.

The responses by six age groups and family income levels present few significant variations. The women are somewhat less emphatic in their positions than the men. Individuals aged 36 or older tend to be a little more vehement than younger people, both regarding the management of the elections and their opinion of Maluf. Finally, contrary to what classical economic reasoning might lead one to suppose, the small margin of difference observed in the various income brackets is very slightly to the advantage of the PDS candidate precisely in the poorest group of respondents (from 0 to 2 times the minimum wage). Although [we have only presented] the table of results for the capital of Sao Paulo, the same trend was generally repeated in the other cities.

The second question, regarding the respondent's position on five categorical political and economic statements, was selective; that is, it was asked only of respondents who were moderately or entirely favorable to Paulo Maluf. The objective was to uncover a certain ideological profile of a potential voter for Maluf as a candidate to the electoral college (and also undoubtedly one of the most stubborn and outspoken opponents of direct elections now). As can be noted in the table summarizing the results of the survey in the six capitals

[not reproduced in the text], there was a marked regularity to the replies, which were mostly in agreement with the five proposed statements. Could this indicate a common pattern? What psychological or social pattern would be capable of producing similar positions in support of ideas or statements seemingly so distinctive or even self-contradictory?

At least one characteristic makes it possible to identify a similar matrix for those who agreed with the proposed statements: an authoritarian personality. For such a personality, the principles of hierarchical obedience and work discipline are natural and enduring values (Statements 1 and 2). The intervention of the government in defense of morality and censorship are simply extensions of the vision of the world contained in this authoritarian matrix (Statement 3). Rampant nationalism might well constitute an ideological element of regimes on the right or the left (Statement 4); perhaps the broad ambiguity of the statement explains the relatively low frequency of positive replies to it. As for the generalized and abstract criticism of the economic ills (Statement 5), it permits equally of manipulation on the left or the right; it does not contradict the principle of authoritarianism and respect for authority.

It is clear that 20 years of authoritarianism have had no small ideological imprint on Brazilian society. For this very reason, what merits the greatest attention is not so much the minority of adherents whom Paulo Maluf's admittedly anti-democratic methods can attract, but, on the contrary, the impressive majority of men and women who repudiate his goals and everything he stands for.

Table 2. Survey Results in the Capital of Sao Paulo

(1) Como o sr. se posiciona diante do deputado Paulo Maluf?																			
(2) SEXO E IDADE										(5) NÍVEL DE RENDA FAMILIAR				(9) FAIXA ETÁRIA					
CATEGORIAS	(3) HOMEN			(4) MULHER			Subtotal		TOTAL	CATEGORIAS	(6) (7) (8)			TOTAL	CATEGORIAS	(10) (11) (12)			TOTAL
	4 a 9 a	10 a 19 a	20 a 29 a	4 a 9 a	10 a 19 a	20 a 29 a	M	F			Até 2 S.M.	De 3 a 5 S.M.	de 5 S.M. e mais			14 a 19 a	20 a 29 a	30 a 39 a	
Entieramente a favor (10)	5.1	12.7	15.3	9.9	6.0	12.8	12.3	9.3	10.9	Entieramente a favor	13.0	8.7	9.0	10.2	Entieramente a favor	7.5	9.5	14.2	10.9
É moderadamente favorável (11)	6.1	5.4	3.8	6.9	6.0	5.3	4.9	5.9	5.4	É moderadamente favorável	6.7	5.0	4.0	5.3	É moderadamente favorável	6.5	5.7	4.5	5.4
É indiferente (12)	19.2	17.7	13.4	17.8	24.0	22.8	16.3	22.2	19.1	É indiferente	18.7	24.0	14.0	20.0	É indiferente	18.5	20.7	17.6	19.1
É moderadamente contra (13)	13.1	8.2	4.3	14.9	11.5	4.1	7.6	9.6	8.5	É moderadamente contra	5.3	6.5	16.0	8.3	É moderadamente contra	14.0	9.8	4.2	8.5
Entieramente contra (14)	54.5	52.3	62.7	45.5	51.0	53.8	56.8	50.8	54.0	Entieramente contra	53.0	54.5	54.5	54.0	Entieramente contra	50.0	51.7	58.7	54.0
Não sabe (15)	2.0	3.7	0.5	5.0	1.5	1.2	2.1	2.2	2.1	Não sabe	3.3	1.3	2.5	2.2	Não sabe	3.5	2.6	0.8	2.1
NÚMERO (16)	(99)	(220)	(209)	(101)	(200)	(171)	(328)	(472)	100.0 (1000)	NÚMERO (16)	(300)	(400)	(300)	100.0 (900)	NÚMERO (16)	(200)	(420)	(380)	100.0 (1000)

Key:

- | | |
|---|----------------------------|
| 1. What is your opinion of Paulo Maluf? | 10. Entirely favorable |
| 2. Sex and age | 11. Moderately favorable |
| 3. Male | 12. Indifferent |
| 4. Female | 13. Moderately unfavorable |
| 5. Family income level | 14. Entirely unfavorable |
| 6. 0 to 2 times the minimum wage | 15. No opinion |
| 7. 2 to 5 times the minimum wage | 16. Number of respondents |
| 8. Over 5 times the minimum wage | |
| 9. Age group [both sexes] | |

The FOLHA survey was conducted by FOLHA's research department, under the direction of sociologist Nara Nogueira Kotscho. Professor Reginaldo Prandi, of the Department of Social Sciences of USP [University of Sao Paulo], was responsible for the survey design and the academic orientation. The maximum error was calculated at 3 percent. The formulation of terms and analysis of the material was the responsibility of the editors. The questions in the second part of the survey were formulated by sociologist Vilmar Faria, of the USP, especially for FOLHA.

Opposition Reaction

Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Jun 84 p 4

[Text] Regarding the survey published yesterday by FOLHA, indicating that 60 percent of those interviewed in six capitals rejected Deputy Paulo Maluf, Governor Franco Montoro commented: "He has the votes of those who support him against an abstract candidate." He added: "His candidacy is already launched and we have not yet picked a candidate. We are going to make this abstraction a reality."

The governor confirmed that, in his meeting tomorrow morning with PMDB [Brazilian Democratic Movement Party] governors, they should even come up with the name of the sole opposition candidate for the presidency. "I think that at least a more specific name should emerge from it, not a move to launch a candidate but a suggestion of a name."

Covas

"There is one factor that gives more relevance to the survey which FOLHA published yesterday, measuring the popular reaction to Deputy Paulo Maluf's aspirations to become president through indirect elections," declared Sao Paulo Mayor Mario Covas. According to the mayor, this factor is the ridiculously low rate of approval in the municipio of Sao Paulo, "an area where Maluf has held several executive posts, from mayor to governor, including secretary of transportation in the Laudo Natel administration."

According to Covas, this is a crushing measure of a man already known as an executive, who has already served as governor and who is therefore known to the public for what he has done and whose future performance can already be surmised if he should manage to reach the important office of president of the republic. He added: "The survey shows that Maluf has no chance whatever in a direct election, and the next president will be elected directly by the Brazilian people."

In the municipio of Sao Paulo, Maluf received the approval of 16.3 percent of the population, among those "entirely favorable" (10.9 percent) and "moderately favorable" (5.4 percent); he was rejected by 62.5 percent of the Paulistas, divided among those "moderately opposed" (8.5 percent) and "entirely opposed" (54 percent). Taken as a whole, the six major Brazilian capitals (Sao Paulo, Rio de Janeiro, Belo Horizonte, Salvador, Curitiba and Porto Alegre) showed 14.8 percent of their people approving of the former governor of Sao Paulo (with 8.2 percent "entirely favorable") and 61.2 percent opposed (49.4 percent "totally opposed").

Lula

"I think the figure of 61.2 percent opposed to Paulo Maluf is too low. In my opinion, it should be higher," said Luis Inacio Lula da Silva, national president of the PT [Workers Party]. According to Lula, the "rejection" of the deputy is linked to "his image of cynicism, to the fact that he symbolizes disrespect for human beings, that his image is linked to such scandals as Lutfala and others, to authoritarianism and despotism, representing the far right wing of the authoritarian regime."

"The fact that over 60 percent of the population rejected Paul Maluf clearly demonstrates that the electoral college is not the appropriate way to choose the president of the republic. If the respondents had been asked if they would accept Paulo Maluf as president, the rejection rate would have been much higher," Lula continued.

Lula thinks the survey is very important because it could lead some individuals who support the current regime to make a choice: "Either they permit the country to have a president who is liked by 61.2 percent of the Brazilian people, or they can stick with an individual who is rejected by 61.2 percent of them." According to Lula, the only way to determine which candidate has popular acceptance is through direct elections.

Roge Ferreira

In the opinion of Roge Ferreira, president of the PDT [Democratic Workers Party] in Sao Paulo: "By what the man in the street is feeling, the survey results were even too kind to Paulo Maluf. My impression is that the rejection rate is much higher."

Roge believes that the rejection rates in Salvador were lower "because they are not familiar with Maluf. In the south, where he is known, he has the mass against him, and in an election campaign this mass tends to grow. This is why he has absolutely no wish to compete in direct elections." Roge said the anti-Malufists are educators of public opinion; in other words, they fight him by explaining to the people what he stands for politically.

Gastone Righi

According to Deputy Gastone Righi, vice leader of the PTB [Brazilian Labor Party] in the Federal Chamber, "Paulo Maluf is a political figure with a truly vile image."

"The public repudiation of Maluf is actually a condemnation of the system, because he is seen as a symbol and result of the system itself," declared the deputy.

Malufists

Maluf supporters Calim Eid, coordinator of the Paulo Maluf campaign for indirect presidential election, and Guilherme Afif Domingos, president of the Sao Paulo Trade Association, declared that the survey published yesterday in FOLHA would not affect the deputy's campaign.

Calim Eid said: "It is better to have a good 'rating' after you have governed than before." He cited the Franco Montoro administration, "which had a favorable majority in the surveys and today has less than 40 percent of the people in favor of it." He thinks that "to have a good administration, it is preferable to have ability, even if you don't have public sympathy."

Guilherme Afif Domingos, president of the Sao Paulo Trade Association and former secretary of agriculture in the Maluf administration, said: "The survey was conducted following the propaganda campaign against Maluf; even so, it was demonstrated that he has some popularity. To turn the result around, you need only consider the public reaction if he were elected president, with priority given to combating inflation."

Caio Pompeu de Toledo

"I think it is impermissible for an individual to go against the will of a nation and for a small group to offer a candidate whom the entire population has demonstrably repudiated," Caio Pompeu de Toledo, state secretary of sports and tourism, said yesterday, referring to the survey published by FOLHA regarding the popularity of Deputy Paulo Maluf.

Sarcasm and Caution

The FOLHA survey was received in political circles in Brasilia with a mixture of sarcasm and caution. The sarcasm came from the Andreazza group, represented by the observation of Senator Carlos Chiarelli (PDS/MG [Social Democratic Party/Rio Grande do Sul]): "I think it is surprising. I thought he was much more unpopular, much worse than the 61.2 percent recorded in the survey."

The Aureliano supporters were more cautious. Deputy Humberto Souto (PDS/Mato Grosso) observed, for example: "I do not want to feed this anti-Maluf climate. They are creating a situation in which a much worse outcome could easily occur. Tomorrow, faced with the growth of Maluf's candidacy, in conjunction with his huge unpopularity, Planalto Palace might offer us a Valter Pires (minister of the army) as president."

In Rio

The results of the FOLHA survey came as no surprise to Moreira Franco, regional president of the PDS, who said the survey "confirmed what we all knew." Doutel de Andrade, president of the PDT, declared that Maluf could have received nothing other than popular rejection.

6362

CS0: 3342/131

PCB LEADER VIEWS SPLITS WITHIN PDS, PMDB

Brasilia CORREIO BRAZILIENSE in Portuguese 17 Jun 84 p 7

[Interview with PCB leader Hercules Correia by Tarcisio Holanda; date and place not specified]

[Text] Self-taught, a textile worker in his youth and a state deputy in the Rio Assembly during the Carlos Lacerda administration, Hercules Correia, now a member of the Communist Party group "Partidao," in this exclusive interview with CORREIO BRAZILIENSE, admits the mistakes made by the Communists throughout history, gives assurance that Partidao has given up the "putsch" technique and claims that, either the government and PDS [Social Democratic Party] must make an agreement, with a minimal program, to select a forthcoming coalition movement, or else the official party will be crushed by the people at the polls in 1986.

The Communist leader guarantees that Partidao is attempting to inject itself into the plan for redemocratizing the country without ulterior motives, rejecting the notion that the Communists are trying to take advantage of democracy in order to strike at it, recalling that "we were not the ones who made the coup in 1964." Hercules claims that, in the 1982 elections, the people proved that they were seeking "centrist solutions, moderate solutions," and hence he considers Tancredo to be the man cut out for the times, although he praises Ulysses.

The Interview

[Question] How do the Communists view the conflict that has arisen within PSD over the presidential succession, using as an excuse the prior consultation which resulted in Senator Jose Sarney's resignation?

[Answer] Sarney's resignation reflects that conflict in PDS. Another factor of internal upheaval in the party is Paulo Maluf's alliance with Minister Mario Andreazza, thus combining what most typifies PDS in regard to continuism; something that has led portions of the party desiring essential, substantive changes to an obvious dissidence. Those portions want changes. They will have to demand direct elections, accepting as an alternative an agreement with the opposition groups to defeat Maluf-Andreazza. Such an alliance comes in overt conflict with the aspirations of Brazilian society.

[Question] And how, specifically, do we interpret Sarney's resignation?

[Answer] One must heed the conduct of the president of the republic in that incident. His letter disallowing the prior consultation and leaving Sarney alone is a clear proof of the fact that he backs Maluf's candidacy. An observation of his behavior leads the observer to conclude that he is counting on the extension of his own term or on a Maluf candidacy. This is what has led PDS into a serious internal division.

[Question] How do we interpret Minister Mario Andreazza's alliance with Deputy Paulo Maluf?

[Answer] Andreazza's commitment to Maluf is obvious. His candidacy cannot take off on its own, it has no independence. At present, he is a flunky of Deputy Paulo Maluf. What is redeeming is the clear insight of various PDS sectors opposing continuism; a clear insight that should be matched by the opposition. The time is ripe for upheaval and a serious crisis with unpredictable results could crop up. The game has had a more or less clearcut progress but, unfortunately, institutional mechanisms for solving the problem are lacking. Maluf is being forced on the majority of the society, who do not want him. This conflict with the country will be resolved in some way.

[Question] The consultation of the rank and file was a means of putting the succession within the stringent bounds of PDS. Would it solve the party's problem?

[Answer] The consultation will not lend PDS unity; it could ease the pain of the open splits, but not the party's serious obligations to the society. And the most tragic part of it is that the party could elect a president of the republic without a political and social base, and in addition to finishing itself in the people's judgment, paving the way for a definitive electoral disaster in '82 [sic]. To avoid the electoral tragedy that is approaching, PSD has only one course of action: that of negotiating on a program and the composition of the future government for the transition phase during the next 4 years.

[Question] How do the Brazilian Communists analyze Brazil's situation now, 20 years after 1964?

[Answer] The so-called political retrogression is rather unlikely; first, because there is a very great predisposition among all the classes of society not to provide an excuse for a misfortune such as that; and secondly, the various sectors of the Brazilian bourgeoisie are bent on changing the situation radically. The major difficulty is that there are no institutional mechanisms for fostering that change. The strange thing about this conflict is that Paulo Maluf is trying to rely on the so-called constitutional legality to defend an indirect election process that is considered spurious by the overwhelming majority of the society, including the grande bourgeoisie. Those obsolete mechanisms were contrived to prevent any change.

[Question] In view of this lack of mechanisms, how do the Communists view the ideal solution?

[Answer] While we do not see any possibility of retrogression, the country needs to proceed toward a constituent body, which is the proper way of clearing the obstacles from the institutional channels.

[Question] The crisis is not just institutional. There are economic, financial, political and social components. How would you explain the critical state that the country has reached?

[Answer] The domestic debt, the foreign debt, the high inflation rates: all this is a result of a crisis in international capitalism, one of the most violent in its history, affecting even the socialist economies. It is obvious that the Brazilian crisis was caused by external factors, but it has internal components. Our crisis has been made worse by the orientation imposed by Mr Delfim Netto, whose essential concern is to administer the crisis and not to surmount it; mainly because the prevailing philosophy is that the solution to this crisis depends fundamentally on surmounting the world crisis. And they are pursuing that line because of their awareness of the fact that they have fostered Brazil's dependence on the world economy. Both the domestic debt and the foreign debt stem from this aspect of our real situation.

[Question] In the opinion of the Communists, where would the solution lie?

[Answer] The solution is directly linked with a government which has legitimacy, which has the people's support, to renegotiate the debt and reorient the economy in a different direction. If this current orientation is maintained Brazil's situation will worsen to the point of convulsion. In this regard, we Communists consider it necessary to intervene in the system of ownership and income, within the stringent bounds of the capitalist system; which would also benefit the latter. We are not talking about measures of Socialist type. For example, it is possible to renegotiate the debt. We are not talking about merely having an unpaid debt. On the other hand, it is necessary to reorient the system of income and ownership. In the first place, we Communists regard it as necessary to have an agrarian reform to modernize agriculture. The present system modernized agriculture by concentrating ownership and income. Now, there must be a redistribution, decentralizing the population, raising farm production through an increase in productivity, and increasing the supply of food and raw materials for the people and for industry. Any government will have to start toward those goals. Secondly, it is necessary to promote a change in the country's taxation system. The philosophy that has prevailed up until now has been that of political and economic concentration. The quality of life among the outlying population has been destroyed by the impoverishment of the municipalities, which accounts for the "bloating" of the large cities, in addition to curtailing the domestic market itself, affecting the capitalist system.

[Question] Then whom does the model serve?

[Answer] The multinationals. In their eagerness to serve them, they have upset the capitalist system itself; so much so that the capitalist economy is being nurtured on what it can export and not by the progressive expansion of the domestic market.

[Question] What is the Communists' real position on direct elections? If they become impossible, what is the course of action?

[Answer] If there is any chance of victory, it is to go to the Electoral College to defeat the government's candidate. If there is no chance, we must withdraw until the 1986 election campaign, so as not to contest the continuist plan. If there is a willingness for a negotiated solution, it would be best for everyone and for the country. The negotiations would be held on a minimal program. In this case, my personal opinion is that the opposition groups could vote for the man who emerges from that composition.

[Question] Aren't the Communists impelled to take part in the indirect process, which they repudiated so much?

[Answer] Even though it is indirect, a solution is being sought for the country. What the people want is change. If that change does not come through direct elections, it could come in another way. The national campaign proved that the people want direct elections now. It is impossible to play with this decision of the people. PDS cannot play with it, nor can PMDB [Brazilian Democratic Movement Party] participate in an indirect election which simply represents continuism.

[Question] In such a contingency, would returning to the street campaign be the opposition groups' option?

[Answer] If it results from the unity among the opposition groups, yes. In such an instance, it would be feasible to sponsor three large demonstrations in Rio, Sao Paulo and Belo Horizonte, at least to prepare the people in connection with the Figueiredo amendment. It would be a means of forcing a kind of negotiated solution.

[Question] Some leftist sectors accuse the Communists of seeking legalization of the so-called "Partidao," as an obsession. In that case, would the Communists be interested only in negotiating their own registration with the government?

[Answer] If we were negotiating that issue with the government, a measure as simple as that of the publication of our manifesto, program and statute would not have been prevented by the minister of justice. It was an act of violence and a discretionary act, inasmuch as the minister invaded the realm of authority of the Judicial Branch. It was an arbitrary, illegal act, proving that we are not involved in any bartering; primarily because the legalization of the Communist Party represents for us Communists a natural consequence of the country's democratization and the concrete implementation of our policy.

If we disregard either thing, and fail to apply our orientation, the legality will be compromised. This does not mean that, if the government, through ministers or individuals subordinate to it, wants to hold a discussion with us, we would refuse it. We are willing to talk. We have good intentions to discuss and explain all the issues, even at the War College if we were invited. With all due respect, we Communists think that the Armed Forces should participate in political action, based on the defense of the national sovereignty.

[Question] How do the Communists fit into the proposal for redemocratization? Many people in the regime and PDS have expressed opposition to the legalization, arguing that the Communists take advantage of democracy in order to destroy it.

[Answer] We fit into it with great difficulty, because the clandestine status develops in the Communist many conditioning factors governing his relations with the society. Many of those conditioning factors are not caused even by the repression; they are developed by the individuals and by the members to survive. This impedes the Communists' communication and relations with the society. Secondly, because the clandestine status does not allow for suitable training for democratic coexistence without mental blocks, after so many years of isolation. And thirdly because anti-Communist has a long history in the society, cultivated by a massified propaganda that has been systematically carried out during the past 20 years. This is why we Communist leaders bring up the issue of legality persistently. And in that way we are explaining to the public our proposals and our orientation, and how we view the course of socialism in Brazil.

[Question] You did not respond to the charge that the Communists take advantage of democracy in order to strike at it....

[Answer] We are not the ones who strike at it. It is the country's ruling classes, just as in 1964. They claim that we wanted a coup, but we did not have a coup. Obviously, this is very subjective; but in Brazil, up until 1958 we did not attach value to the democratic issue, as is necessary on the part of any political force struggling for the progress and aggrandizement of the nation. That change started to go into effect in 1960. And the mistakes that we made between 1960 and the present are a result of the training that we had had previously. I am among those who suffered from the mistakes of the earlier training. Today, I and many others know that it was an erroneous view of the Brazilian reality. Claiming that we are dependent on the Russian PC and that we are opposed to Brazil's interests: all that comes from people who do not even read what we write and say. They should read us before reaching an opinion about us.

[Question] What is the party's strategy for attaining the goal of socialism in Brazil?

[Answer] The defeat of capitalism in Brazil and the building of a socialist society to replace it entail the downfall of foreign capitalist domination

in the country and agrarian reform. Both things are basic for the development and entrenchment of democracy in Brazil. We describe that democracy as a mass democracy, wherein the political power is based on the trade unions, the popular entities and the political parties, through the strengthening of the civil society.

[Question] And why that type of democracy?

[Answer] Because we think that the solution to those two problems must be an act of the majority of the people, in an organized manner. In other words, this should not be an act of a political party or of political groups which superimpose themselves on the role that only the people can play. Therefore, in our proposal, we did not include the military "putsch." We have stopped doing any work in the Armed Forces. The fundamental work is among the people because, if the issue is solved there, everything else will be resolved; since the Armed Forces are comprised of common people.

[Question] Do you still think that PDS may proceed with direct elections?

[Answer] Up until December of last year, PDS did not have a candidate for a direct election. Now, it has Aureliano, who has deviated from the party because he lacks space in it.

[Question] How do the Communists view the divisions in PMDB, and the leadership struggle between Ulysses and Tancredo?

[Answer] I think that what happened in 1982 was a reaffirmation of what was happening all over the world, with the countries subjected to right wing dictatorships veering toward the center. The results of 1982 were of the center. The public opinion polls show a popular tendency toward Aureliano or Tancredo, two spokesmen for the center. This is not a conservative position. The people want no risks; they have the feeling that we are undergoing a delicate transition phase and they are seeking areas of equilibrium. This does not mean that Ulysses is not a man with a long tradition, or that he is not an able politician. Ulysses is extremely competent, and played a role of fundamental significance in maintaining the balance between the redemocratization struggle and the unity of the forces under his command. Now, we shall have to see. For leading the state, there is a moderate tendency among the people; hence the pro-Tancredo trend. This does not mean that Tancredo would disregard Ulysses. If Tancredo imagined that he could carry on negotiations without Ulysses, he would be mistaken. Tancredo is a lively and extremely competent politician. Conflict is part of politics and of life. Both are men of great value. Ulysses himself recognizes the real situation when he says that he would withdraw his candidacy for the sake of unity. There is only one position for president of the republic; unfortunately, there are not two or three.

2909

CSO: 3342/127

MALUF ON DEBT NEGOTIATION, CENTER-LEFT VIEWS, ADVERSARIES

Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Jun 84 p 10

[Report on interview with Federal Deputy Paulo Maluf (PDS [Social Democratic Party] --Sao Paulo) in Brasilia by special correspondent Claudio Abramo: "I'm Further to the Left Than Tancredo, Says Maluf"; date of interview not given]

[Text] Brasilia--Everything happens as if it had not happened: the crisis in the PDS, the irate unification of his adversaries within his own party, the distress and growing anxiety of the opposition, the enigmatic position of the government, the visible hostility that my interlocutor arouses in broad sectors of society, the International Monetary Fund, the stratagems contrived one after the other against his candidacy, all intended to thwart it, the adversaries visible and invisible, the struggle for power; all this takes place far away from Paulo Maluf. "I work out my strategy, I follow my path, I have an objective," he tells me, removing the jacket of his suit in the office he has set up in his home in a residential section of Brasilia, close to the lake, a large house, like so many other large houses, without personal touches, an office with lithographs by Di Cavalcanti on the wall, some books in a large bookcase, sofas, chairs, ashtrays, a coffee table, a telephone. The telephone. The principal weapon of candidate Paulo Maluf, who in a short space of time receives and makes several several telephone calls, to faceless informants; but there is no great interest in the information either given or received. It is really as if everything happened as if it were not happening.

Essentially, the ex-mayor and ex-governor of Sao Paulo responded directly to only a few of the nearly 30 questions I asked him in the course of our 3 and 1/2 hour conversation. His replies were nearly always roundabout, avoiding the main point, not understanding or pretending not to have understood the majority of questions, but always alert to any pitfalls. He wishes to present the image of a man without resentment or rancor, ready to embrace yesterday's enemy (which he has done with unfailing regularity in recent years and especially since launching his candidacy). He frequently utters phrases intended to impress his listener of the moment, such as the one he let fly point-blank in the middle of our dialogue: "I am a man of the Center-Left." He jumps quickly from one subject to another. He must have studied the best way of answering reporters' questions, as he generally replies to the last part of the question first, a tactic employed, incidentally, by the great majority of Brazilian politicians.

As time goes by, his right-hand men arrive: Said Farhat, who exhibits a certain brazenness in his manner; Deputy Diogo Nomura, who addresses the candidate with an apparently nonchalant familiarity; Heitor Aquino, recently arrived from Europe, who watches everything and keeps quiet, frequently with his gaze fixed on either the deputy or his interlocutor; their thinking runs parallel to that of the candidate: there are no discrepancies, no gaps.

"I follow the constitution. The Brazilian Constitution says that the election is indirect, and it takes place in the Electoral College, and that the party convention chooses the candidate to go before the Electoral College. That is my guide: I'm not running after imponderables, things that don't exist. We have a constitution and it gives me the opportunity of being a candidate. And I go according to that."

Paulo Maluf rejects any illusion of legitimacy, tradition, custom, rules, since for him they don't exist:

"If you analyze all the Brazilian successions [to the presidency], you will see that all of them were marked by crises or impasses, which I however call the struggle for power: with Dutra, Getulio Vargas, Juscelino, Janio Quadros, Jango Goulart, and even in the governments of the revolution (he is talking about the 1964 coup) it has always been so. There has never been a peaceful succession. I view this as something positive and 1984 is not likely to be different from all this. We are accustomed to having only one candidate (since 1964). When President Joao Figueiredo was chosen, there had been uncertainties as to the possibility of the next successor being a civilian. But for my own part, I never questioned my candidacy because of being a civilian."

The maneuvers, the stratagems apparently contrived to block him, on the government's part, all this is relegated to the category of marginal episodes, without significance, irrelevant.

[Question] Since what point has the candidate been a candidate?

[Answer] "I began my candidacy when I resigned as governor of Sao Paulo, with 10 months yet to be served in my term, in order to go to Brasilia..."

His election as deputy was thus the means of going to Brasilia, the center of power, a cold city far from the clamor of the masses, and where practically everyone knows everyone else:

"Everything that later emerged, that many people define as casuistries, maneuvers, I define as a struggle for power. Now they are talking about extending the president's term of office. There has been talk about a limited term of office, about direct elections, about parliamentary government, about the Minas agreement, about combining an extended term with parliamentary forms; all this has been talked about, but all this will come to a head on 2 September, when all the parties will have to select their candidates and adopt their platforms..."

And he adds: "The PMDB [Brazilian Democratic Movement Party] has competed in the Electoral College twice, once with a noncandidate and once with an army general..."

[Question] "Where do these maneuvers, which you call a struggle for power--and they are--come from?"

The candidate shrugs his shoulders; this is of no concern to him:

"From persons who feel defeated and who wish to change the rules of the game.

"Look here," he adds. "We have had 13 elections in Brazil with voting in the open: 7 of them indirect, and only 4 direct and with secret ballot. Which does not make a tradition. But that is beside the point. The campaign for direct elections showed the maturity of the Brazilian people and perhaps the people saw in direct elections a possibility for change. And I acknowledge that Brazil has some social structures that are...archaic." (He is searching for the exact word, decides upon "archaic" as if trying to find a word that, in defining our structures, can do so in only a technical sense, without any moral or political connotation.)

And he adds: "We must seek social peace."

[Question] "And what do you mean by 'social peace'?"

[Answer] "By 'social peace' I mean five things: one, education, for all; two, public health for all, both preventive and curative; three, housing (I want every Brazilian to have a home of his own); four, safety; five, employment. These needs of society are not being met today. The next president of the republic must change the emphasis from grandiose public works to works of social significance."

Here the candidate begins coming close to criticizing the handling of domestic development plans outlined in 1964, which gave priority to the nation's rapid industrialization. But the subject is dropped, for now, to be taken up later.

Paulo Maluf says he got the idea of becoming a candidate in early 1982. "That is when I resigned as governor." At the time, he must have perceived a breach in the complex nominating system that would permit him to come to the center of power, hampered only by changes in the rules established for the benefit of others. He launched his candidacy as he had done at the famous convention of the Sao Paulo ARENA [National Renewal Alliance], when he pulled the chair out from under the president's choice, who was Laudo Natel.

[Question] "What about the foreign debt?"

[Answer] "In the short term, Brazil has renegotiated with the banks. In the medium and long term, I don't think the solutions found up to the present will be effective. Brazil cannot continue in the headlines as in default. Every day the world's newspapers report about Brazil in stories that make us look like big debtors. This is intolerable. This doesn't give our country a good image. The foreign debt is our problem, but it is also the problem of our creditors. Our foreign debt has a profile that I believe should be modified. Of the \$100 billion, at least \$20 billion represents debts contracted by multinational firms (and Brazil is very generously incorporating these into its own national debt). It seems to me that these multinational companies, which have made good profits in our country, should give a show of confidence and convert this debt into equity.

This will reduce the \$100 billion to between \$85 billion and \$87 billion. Another part of the debt was contracted in the form of suppliers credit. This should not be considered merely as a debt because Brazil, by purchasing abroad, created employment in those countries. It seems to me this portion of the debt could be renegotiated for a longer duration and with a longer grace period. There is also some question about the debts of state enterprises in foreign currency. Part of this could be renegotiated through greater participation by the [state] governments in the international organizations, which have cheaper money (8.5 percent rather than 12.5 percent). With all this, plus the trade surplus, you can transform this debt from \$800 per capita in Brazil to \$500 per capita; you can turn it into a liquid debt in 5 or 6 years. The foreign banks have deprived us of a lot. The objective of the bank is to make profits for its shareholders, and the objective of the Brazilian government is not to let itself be taken advantage of... And I don't think a social explosion in Brazil is in the interests of the western World. So this matter must be discussed on a government-to-government basis. The profile of the debt must be changed. Negotiations must be effective for the long and medium term as well as for the short term. Otherwise we will continue to be gouged. We are paying the highest interest rates in the world."

[Question] "What do you think about Brazilian labor legislation?"

[Answer] "Forty years ago, when Getulio Vargas passed the CLT [Consolidated Labor Law], it was not well understood by the businessmen and I don't recall that it was applauded by the workers. Although the CLT must evolve, we see today that existence of the Labor Courts prevented an undesirable clash between workers and employers. I believe that the better conditions you give the workers the better it is for the businessman, as it is the worker who consumes the goods produced by the businessman. And my intention, in the very first day of my administration, is to set up a broad commission, with participation by workers and businessmen, to adapt Brazilian labor legislation to today's conditions."

[Question] "Are you against or in favor of the right to strike?"

[Answer] "Nowhere in the world is there an unrestricted right to strike. I am in favor of direct negotiation (between employers and workers), but direct negotiation leads to polarization. Then you must have some sort of final judge, someone independent from the government and from the parties to be the judge. The right to strike for economic reasons is legitimate. Not the strike for political reasons."

[Question] "What about the illegal parties? Would you make them legal?"

[Answer] "Look at this man Berlinguer..."

[Question] "Did you know him?"

[Answer] "No."

The candidate looks at the wall, where there is a picture of his family: himself, proud, his wife Dona Silvia and the children, and another picture of Pope John Paul II. He says a few words about Enrico Berlinguer. And preceeds:

"There is always a connection between communist parties and Russia (he does not say Soviet Union). I am a nationalist. I don't want to have political parties connected with other countries, whether Russia, the United States or Germany (an allusion to Brizola?)."

[Question] "Many people accuse you of fascist tendencies, of having a fascist bias, or nurturing fascist attitudes. What do you say to that?"

[Answer] "I am a man of the Center-Left. I am a politician devoted to mankind. Who took better care of the needy? Who granted bigger raises to university professors? Who discussed with the professors, inside the governor's palace, the problems of the professors themselves and of the university? Who introduced the largest and most tasty school lunch (in the schools of Sao Paulo)? All my efforts have always been directed toward the poor."

And after a moment's reflection:

"I am the fruit of freedom of the press. Has anyone ever given more freedom than Paulo Maluf? I don't believe anyone performed his duties more democratically, being praised, attacked, criticized, but always working for the benefit of the people."

Notice that this is not what does or does not characterize fascist leaders; it is not the assistance that they may give or fail to give to "the people," but the abstract meaning that the fascists give to the very word. But the argument is lost, interrupted by someone who arrives just in the nick of time. Later, speaking of politics:

"Consensus," says Paulo Maluf, "is undemocratic. Conciliation is democratic."

[Question] "You said, or are believed to have said, that you would invite Ulisses Guimaraes, if I am not mistaken, and Fernando Henrique Cardoso to participate in your administration... Is that true?"

[Answer] "I would not have the slightest objection to having a government shared with other parties. In fact, I would have a government of national reconciliation. You fight until you become president, and then you must be president of all. I do not reject the idea of a government of reconciliation..."

I return to the subject of his image, or of the version of his image, of his way of doing things, of showing effectiveness or imposing his presence: "What people criticize in you is also your 'Asiatic' style of government." The question goes unanswered, perhaps because of the term "Asiatic" inserted in the dialogue: "When I was mayor I decentralized a lot."

[Question] "You will be elected president, fine. But will you have a majority in the National Congress?"

[Answer] "Today there is a very small majority--that is, the majority is small. When I speak of reconciliation I mean that you can form groups of deputies (that can collaborate with his government). That's the way it is in Germany, in France,

in many countries. The major parties and the governments are made up of various groupings... Even in the PMDB there are people to my left and some to my right. Let me give you an example: when I became governor of Sao Paulo I had 26 deputies (one-third) but all the important things passed. The opposition itself was right in the middle of things: how can one be opposed to bills of interest to the people?"

The candidate fails to mention that the PMDB had a majority in the Assembly but a large number of ostensibly oppositionist deputies crossed over to the then governor. Paulo Maluf discourses at length about the familiarity which the close association in the Congress establishes among the deputies:

"We have this identification here," and he shows me the deputy's badge in the lapel of the dark blue jacket (blue suit, black socks, black shoes, conservative tie), "and we end up making friends, establishing relationships. We often eat lunch together, deputies of different factions."

His gaze wanders over the walls of the office. And then he asserts, as if having arrived at the conclusion of his thoughts:

"I am more to the Left than Tancredo!"

[Question] "But in any event, as a president with the kind of style I imagine you will have, there will certainly be polarization of positions. Moreover, with the campaign for direct elections, the problem of the national will is stated very clearly..."

[Answer] "I am not worried about polarization. In the Chamber of Deputies we are all colleagues. My life has been examined in greater detail than anyone's. Governor Montoro himself has attested to my integrity."

The dialogue continues. We come to the question of the state enterprises. One sector of society and of public opinion criticizes the government's zeal in creating all-powerful state enterprises. How does the candidate view this?

[Answer] "Petrobras should be respected. Now, basically, I am a liberal, I am in favor of free initiative. If I could have freer business, a greater right of enterprise, I think it would be good. If you have government capital, you should apply this money in social enterprises."

[Question] "Am I to understand by that phrase that you would revert to the nationalizing tendency?"

[Answer] "I would use the government's money more in education and in health, and in making business more competitive. Perhaps, to build a hydroelectric plant, if there is not enough private capital, very well. But no one should be prohibited from building a hydroelectric plant or a steel mill. Government money is only for things for which there is not enough private capital."

[Question] "Very well. How does the candidate view the Brazilian nation, society as a whole?"

[Answer] "I see Brazilian society as that of a people that desires quality of life. You won't find quality of life in income per capita. Look at New York, for example. When there was a blackout there, windows were smashed and stores were broken into. So you see it is not a matter of income per capita. I put much store in spiritual and cultural factors."

The candidate plunges into a long digression about the opportunities that life offers or does not offer. He mentions his father, who arrived in Brazil with the equivalent of \$6 in his pocket and who worked and prospered so that he himself, Paulo Maluf, could attend the Polytechnical Institute and come to be what he is today.

[Question] "But what of the millions in this country living in squalor and poverty?"

[Answer] "The youngest population must have education and health. Unfortunately, our schools are elitist. There are the needy--and the rest of society must be responsible for making a just distribution of income."

[Question] "How?"

[Answer] "It requires redirection. Instead of building that large steel mill, you for example have an agro-industrial project in the Northeast. And there will thus be a more just socioeconomic return. The government sets priorities. You must refrain from making the multimillion-dollar projects. You must pay off this social debt."

[Question] "How can this be done without a people who are organized, without a party, lacking everything?"

[Answer] "The Brazilian people are not involved in anything because they don't eat properly. You must invest in education and in food so that tomorrow you don't have to invest in hospitals for the retarded."

[Question] "Then you are against the 'Soviet' model adopted by the men of 1964?... (the Soviet model being rapid industrialization)."

[Answer] "Over there (in the USSR), they were able to do this because there is no freedom. But here we want more democracy. And what the government wants is not always the best thing for the people. I view democracy as a laudable conflict, where all opinions can be expressed and through them a common denominator can be found."

The conversation changes. He rejects the "run-off" proposed in his party, the PDS, as unimportant. He perceived, correctly, that in the run-off elections it would be the electronic media that would prevail, the TVs that would have the most powerful influence, and he feels that these electronic media are all against him. He could not accept, he explains to me, a fight in which he knows that the adversary is more heavily armed than he.

"Moreover, it has no legal basis. I am in favor of a law to establish primary elections for all parties. That would be all right. But only in the PDS? Why?

[Question] "What about the Leिताo Amendment?"

[Answer] "I am favorable to its political part. But there are some details in other areas that are not clear. I am in favor of a 4-year term with reelection."

[Question] "Speaking of this, do you believe there will be an attempt to reelect President Figueiredo?"

[Answer] "I do not. President Figueiredo himself has said emphatically that he does not want to be reelected."

The idea of extending the president's term inevitably raises the question of the foreign debt, because in many Brazilian minds there is still an assumption of a dramatic move by the Brazilian Government, breaking with the IMF, in a spirit of defiance and affirmation of sovereignty, thus attracting the support of vast sectors of society. Paulo Maluf once again comes back to the question of the foreign debt, eliminating the rest. He asserts it is necessary "to return Brazil to its path of prosperity."

And he adds:

"You cannot make payment of the foreign debt dependent upon the sacrifice of the Brazilian people. You have a limit, which is what the people's sacrifice is able to bear."

[Question] "What about the Electoral College? Can you count on only the PDS and the PTB [Brazilian Labor Party]?"

[Answer] "I have campaigned within the PDS, but I think I have friends in the PMDB and the PTB."

[Question] "What is your view of your most likely adversaries?"

[Answer] "The most likely are Tancredo Neves and Ulisses Guimaraes. They are both respectable men, with long service to the nation, who can be candidates for president of the republic."

[Question] "Do you see new leadership emerging in the PDS or in the PMDB?"

[Answer] "There are new people emerging, but to cite three or four would be to do injustice to the others."

[Question] "How much time do you think necessary to transform these 30 million Brazilians below the poverty line into solid citizens?"

[Answer] "Twenty years (one generation) to go from a per capita income of \$400 to one of \$2,000, which is the average per capita income of the Brazilian people today. But a government could raise them out of a state of complete poverty (\$400 per capita) to poverty with dignity (\$1,000) within a period of 5 to 10 years."

[Question] "Would you like to have a 5-year term or with reelection?"

[Answer] "A term of 5 or 6 years is not suitable for reelection."

[Question] "What about the land problem?"

[Answer] "In Brazil a few people have a lot of land and a lot of people don't have any land. Of the 850 million hectares of farmland, only 50 million are being worked. Lack of ownership or possession of land should not be an objection to its cultivation. The government has areas..." [Balance of copy is garbled]

8834

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DAILY POST ANALYZES ELECTION SITUATION

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pp 1, 4

[By Herbert Zschech]

[Text] Rio de Janeiro--The governor of Minas Gerais Tancredo Neves, has not formally accepted so far being the candidate of the opposition for the succession of President Figueiredo.

Based on his long political experience and flair for coming events, he has good reasons for hesitation.

In the Electoral College which--barring the unlikely hypothesis of direct popular election--will elect the next president, he would have chances of defeating the official candidate to be nominated by the PDS, with the support of the college delegates belonging to the opposition along with that of a number of PDS dissidents who number more than 50 at present.

At first sight, it looks easy, but it really is not. The main problem is caused by the radicals of the opposition led by PMDB President Ulysses Guimaraes, numbering at present 35 federal deputies and two federal senators, who categorically reject the idea of participating in the indirect presidential election, accepting nothing but direct popular voting. The same intransigent position is maintained by some members of the other opposition parties, especially the Workers Party (PT of union leader Lula).

According to these radicals, it is better to lose the election and maintain for four or six more years an attitude of combat against the government than to elect a moderate president who by need of compromising would practically continue the political regime established in 1964, only with minor liberal changes.

What they want is radical change, something not to be expected from Tancredo Neves or any other "candidate of conciliation."

Secondly, it is not certain that Tancredo Neves or any other opposition candidate could rely in the Electoral College on the support of many PDS dissidents, now led by Vice President Aureliano Chaves. Chaves and Neves, both

veterans of politics in the state of Minas Gerais, are old rivals. Aureliano, despite his still-widening rift with President Figueiredo, clearly is having second thoughts about breaking with the PDS in order to favor the opposition where he cannot hope to play an important role when he is no longer useful for polarizing the PDS dissidency.

Furthermore, the number of PDS dissidents might dwindle--and is already dwindling--under the influence of various persuasion methods used by either the presidential Planalto Palace or the Paulo Maluf strategists. These are good reasons for the cautious and prudent Neves to delay acceptance of the presidential candidacy offered to him by the opposition governors and which still depends on approval by the PMDB convention for which no definite date has been marked so far.

President Figueiredo who in recent months had several problems caused by indiscreet revelation of what he had told friends and acquaintances during informal conversations off the record, faced the same inconvenience a few days ago when a PDS deputy from Pernambuco, Inocencio de Oliveira, quoted the president as having told him that "Paulo Maluf may win the PDS nomination in the party convention of September but he still may be defeated in the Electoral College when Tancredo Neves could become the winner." Figueiredo was reported greatly irritated at this indiscretion and vowed never again to receive De Oliveira in his office, but he did not deny having said it. It is not a surprising remark anyway, but rather a very obvious one. Only the deputy may have quoted it out of context, omitting perhaps that Figueiredo might have intended it as a warning for the PDS to be united in defense of the party's candidate against the opposition candidate.

Maluf's nomination by the PDS convention in September still depends on his ability to frustrate the moves within the PDS for a pre-convention primary where he probably would lose against Mario Andreazza and Aureliano Chaves. The battle between those who want and those who reject the primary election proposed by Sen Jose Sarney who had to resign as party chairman over this problem, is still undecided but can be expected to be resolved this week.

This coming week can become a period of important decisions on several questions. Chamber voting on the constitutional amendment proposed by the government which strengthens the legislative power against the executive, reduces the presidential mandate from six to four years but maintains the indirect election of Figueiredo's successor, is scheduled for Wednesday. The opposition and PDS dissidents had planned to use the debate for proposing a "rider" allowing direct popular election already of Figueiredo's successor. Days ago, they were surprised--and outwitted--by the PDS "relator" of the committee responsible for the editing of the text to be voted on. Availing himself of congressional rules fixed years ago, he found a way to force the Chamber to vote first on the amendment in general, and on eventual additions or changes only in a second voting when their approval still would depend also on Senate approval which would not be the case if the "riders" were included into the overall voting on the amendment. It is beyond any reasonable doubt that the Senate will reject the direct election of Figueiredo's successor even if the Chamber were to approve it.

Thus probably outwitted, opposition and dissidents contemplated seeking a postponement of the entire Congressional voting to a date after the July recess. In this case, Neves might not be able to run for the opposition because he would probably miss the deadline for resigning previously his post of governor of Minas Gerais.

Frustrated by these problems, the opposition radicals now have decided to renew the mobilization of the crowds for direct presidential election. Three monster street demonstrations are planned for this week, in Curitiba, Sao Paulo and Rio. If the leaders will be able to rekindle the fire of propaganda now after most people--as shown by opinion polls--have given up the belief in direct election now, is rather doubtful. Tests in Mato Grosso and Sergipe already last week produced disappointing results for the radicals. The number of demonstrators fell rather short of the previous estimates.

At the present moment, it can be said that the political panorama, despite the conditional launching of Tancredo Neves as an opposition candidate against the official candidate who in all likelihood will be Paulo Maluf, is far from clear. Maluf has the best chances but he has against him overwhelming dislike by public opinion, although this repudiation evidently is being cultivated artificially and difficult to explain rationally. It is a fact, though, which leaves open the door to disquieting conjectures about what could happen in the event of his being elected president, or what adversary groups eventually might try to do in order to prevent the election.

CSO: 3300/7

ALCANTARA SELECTED AS BASE FOR FUTURE SPACE OPERATIONS

Rio de Janeiro GAZETA MERCANTIL in Portuguese 13 Jun 84 p 8

[Text] The State is purchasing 61 unproductive properties in the Alcantara region of the state of Maranhao, through the Ministry of Aeronautics. In this area, containing approximately 215,000 hectares, the largest Brazilian space station will be built. It is the intention of the Aeronautics Ministry to carry out the first launching of the native rocket, Sonda IV, from the new base within 2 years. This launcher will put the first communications satellite totally manufactured in the country into orbit.

In an administrative directive published on Thursday in the Official Gazette, the minister of aeronautics, Delio Jardim de Mattos, delegated authority to the major-superintendent, Doderlayne Castro Kapp, and/or engineer Reynaldo Rutigliani, to "undertake the necessary action for the purchase of the land (...), the final processing for which must be conducted through the Union's Agency for Estate Service in the state of Maranhao."

The site on which the future base will be constructed, to occupy an area of 520 million square meters, has already been considered one of public utility by the Maranhao government. But, as the chief of the Alcantara Launching Field Establishment Group (GICLA), Col Varao Monteiro, from the Aeronautical Technology Center (CTA), announced, the ministry opted for the purchase of the properties because most of the owners lack complete documentation; which would prevent the receipt of the payment of the judicial deposit, in the event that it were to opt for expropriation. In this way, the minister's administrative directive allows for the initiation of the final negotiations with the land owners, who signed the terms of a sales commitment. Colonel Monteiro stated: "They will all receive their payments based on the INCRA [National Institute of Land Reform and Settlement] appraisal table; and we shall also pay for the improvements made, in addition to giving each owner a masonry house in farming settlements to be set up in the same municipality." The expropriation will be used only in the case of those who refuse to sell their land.

Construction

Alcantara was selected as the site of the aerospace station owing to its proximity to the equator line. The Aeronautics Ministry's public relations service

chief, Col Norberto de Castro Brum, explained that the higher speed of the earth's rotation on the equatorial line facilitates the launching of rockets. The need for such a vast area is due to security reasons: There is always the possibility that rockets might fall in the future, and it is advisable to avoid urban crowding in the area.

CTA has already installed the initial nucleus of the future base over an area of 5 hectares, equipped with a company of soldiers from the Aeronautics Ministry. Also living within the bounds of the base are nearly 50 farming families, who will also be moved to farming settlements.

Colonel Brum explained that the new base, which will not be finished until the next century, will not deactivate the present Barreira do Inferno test area in Natal. On the contrary, the two will be interconnected by satellite tracking systems that will allow for a more complete monitoring of the future Brazilian space ships, particularly Sonda IV which, before going into final operation, will have to be tested with a series of preliminary launchings.

2909

CSO: 3342/129

BRIEFS

WHEAT IMPORTS--Imports of wheat for domestic consumption, forecast at the beginning of the year as 4.2 million tons in 1984, should reach 4.5 million tons, with an additional purchase of 300,000 tons, based on the government's expectation that there will be no decline in consumption. This reduction had been anticipated as a result of the planned withdrawal of subsidies for the product, which would entail a substantial hike in its price to the consumer. Since the government negotiation with the International Monetary Fund (IMF) the 6-month postponement of the elimination of subsidies, initially set for the end of this month, which currently represent 53 percent of the sales price to the mills, it will now have to cope with the burden of an additional import of 300,000 tons, to meet the levels of the mills, which will be distributed during the second half and should total 3.2 million tons. Nevertheless, there is no concern about the possibility of such an additional importing in terms of the balance of payments, because the authorities claim that the purchases, made mainly in the United States and Canada, and a small amount in Argentina, are almost entirely financed over long terms of 10 years as a minimum, with favorable interest. [Excerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Jun 84 p 21] 2909

CFP CROP FORECAST--Yesterday, the Production Financing Company (CFP) announced the latest forecast on harvests of the leading agricultural products, indicating an increase in virtually all crops with the exception of peanuts, which should show a 27 percent drop in production compared with last year. The harvesting of the leading farm products included in the policy for guaranteeing minimal prices should increase 8.9 percent, reaching 49.2 million tons, compared with 45.2 million tons harvested during the 1982-83 harvest, according to CFP. The increase in planted area was 2.25 percent, rising from 35.5 million hectares in 1983 to 36.3 million this year. According to CFP's evaluation of harvests, the national soybean production this year will set a record, with a forecast of 15.2 million tons, compared with 14.5 million in the 1982-83 harvest, showing a 5 percent increment. The area planted with soybeans in the country is 9 million hectares, a figure 8 percent larger than the 8.4 million hectare area shown last year. According to CFP's prediction, the national production from the two bean crops in the 1983-84 harvest should show an increase of 57 percent over the previous period, depending, however, on the continuation of the current weather conditions present in the northeast. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Jun 84 p 26] 2909

STEEL EXPORTS RISE--According to data from the statistical report on exports for June issued yesterday in Brasilia by the Council for Non-Ferrous Metals and Steel (CONSIDER), foreign sales of iron and steel products for the first 5 months of the year totaled \$547.2 million, exceeding by 36.3 percent the performance during the same period in 1983, which amounted to \$401.4 million. In volume, the exports increased 22.5 percent, inasmuch as 2 million tons of iron and steel products were shipped between January and May of this year, in contrast to 1.6 million in 1983. According to CONSIDER, exports of cast iron between January and May totaled \$105.5 million, exceeding by 45 percent the volume for the first 5 months of 1983, which was \$72.8 million. Foreign sales of iron alloys increased 38.4 percent over 1983. During the first 5 months of 1984, \$97.1 million worth of iron alloys were sold, whereas during the same period last year, the exports amounted to \$70.1 million. [Text]

[Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Jun 84 p 26] 2909

NIOBIUM EXPORTS UP--After a rather notable decline in sales during the period 1980-83, this year exports of ferro-niobium increased again, and are forecast at \$75 million by the end of 1984, compared with \$51 million last year. During the first half, the Brazilian Mining and Metallurgy Company (CBMM), accounting for 60 percent of the world market for ferro-niobium and supplying 100 percent of the domestic market, sold \$48 million to the foreign market. CBMM's commercial director, Julio Cesar Gaertner, said that this increase was caused by the depletion of stocks last year, which prompted the companies to replace their stocks at the beginning of the year. Nevertheless, he warned that the future of the iron and steel industry in the world is very uncertain, and signs of fear are already sensed, anticipating a recession in the United States during the final quarter of the year. Ferro-niobium, which lends steel both physical and mechanical properties, particularly with regard to resistance, is sold primarily to the foreign market, because Brazil produces only 15 of the 760 million tons of steel per year in the world. During 1983, CBMM, from its mines in Araxa (Minas Gerais) supplied the domestic market with 7.7 percent of its production, with the other 92.3 percent going to the foreign market. Niobium oxide, which is 99.9 percent pure, accounted for 8 percent of the exports during this half, with a total of \$3.7 million. It is used mainly for alloys with a high degree of purity, and also for jet plane turbines and in the optical industry. According to Gaertner, now metallic niobium, the third generation of the industrialized products, "is the business of the future, because it will be used in superconductors." [Excerpts] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Jun 84 p 23] 2909

INFLATION RISE FORECAST--Yesterday, the Chamber of Economic and Social Studies and Debates (CEDES) published its "thermometer" for June, in which it predicts the continuation of high inflation rates during the second half, as well as a rise in interest (both internal and external), and more tightening of the monetary policy. Coordinated by the economist Paulo Rabello de Castro, of the Rio FGV [Getulio Vargas Foundation], the thermometer records the trends noted during the month by 20 economists and business owners, and estimates that in June the inflation will reach 9 percent, and will total 191.5 percent for the entire year. It also indicates an anticipated average monthly inflation of 8.64 percent for the third quarter, and 9.05 percent for the last 3 months of the year; hence pointing to a reacceleration of the inflation rate at the year's

end. But, according to Rabello de Castro, the government is not expected to adopt any mechanism for de-indexing the economy from the inflation indexes, unless the authorities completely ignore the political consequences of the measure, or the fact that then the inflation rate will rise markedly. The thermometer also predicts that not even the high interest rate or a possible contraction of liquidity will hold back the slight progress in the Brazilian economy this year. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Jun 84 p 24] 2909

IRAQI OIL EXPORTS--Rio de Janeiro--Petrobras President Shigeaki Ueki announced yesterday that he is going to Baghdad today to sign a contract with the Iraqi Government to exchange part of the 160,000 barrels of oil furnished daily by that country for Brazilian merchandise, including Volkswagen automobiles and civil construction services, amounting to \$600 million. Meanwhile, Petrobras Production Director Joel Renno asserted that by the end of this year domestic oil and gas production will reach 520,000 barrels per day, a level that can be sustained without any new discovery for the next 11 years. He based his assertion on the fact that the oil reserves already discovered by Petrobras are sufficient to assure maintenance of the current level of domestic production. These reserves, including both oil and natural gas, now total the equivalent of about 2.4 billion barrels of oil. To maintain production of 500,000 barrels daily, the Petrobras director said, there must be enough reserves to permit extraction of 180 million barrels annually; and the 2.4 billion barrels of existing reserves, during a period of 11 years, can provide over 200 million barrels annually. According to Renno, the estimate based upon existing reserves is only theoretical, "because Petrobras is in a position to add new recoverable reserves to the current reserves and maintain its policy of avoiding predatory exploitation of petroleum resources." [Excerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Jul 84 p 32] 8834

CSO: 3342/132

CTC OFFICIAL OUTLINES OFFENSIVE TO PROTECT LABOR INTERESTS

Havana TRABAJADORES in Spanish 14 May 84 p 4

[Interview with Juan Dieguez Almaguer, member of the National CTC Secretariat, date and place not specified]

[Text] One of the priority tasks of the trade union organization is taking care of the labor and social problems of the workers. Comrade Juan Dieguez Almaguer, member of the National CTC [Central Organization of Cuban Trade Unions] Secretariat, discusses with us some concepts and ideas about the work projections for 1984.

[Question] What are the most pressing tasks to be addressed in the sphere of labor and social matters?

[Answer] For the purpose of strengthening the labor union management being carried out in the realm of labor and social matters, it is necessary to intensify the content, development and control of each and every one of the tasks that make up the front.

To such an end, it is indispensable to train all the cadres that participate in its practical implementation, strengthen compensation [contrapartida], assess in greater measure and more thoroughly at every instance, take care of work councils more systematically, watch over labor discipline and act vigorously in locating, channeling and solving cases where current labor legislation is violated, or Law Decrees 32 and 34 and other juridical regulations about work discipline are inadequately applied.

Likewise, we must manage to work out and verify collective labor contracts, and to develop the process of discussion and approval of the Labor Code.

It is also our task to intensify all the work related to the social security system, distribution of work clothes and footwear, vocational plans, taking care of relatives of international workers, distribution of appliances, and the social tourism for export [sic].

We will also proceed immediately to implement the resolutions of the historic 15th Congress beginning with the outlines of the Plan of Measures, in order to

ensure the economic and social objectives for 1984 and the decision of the 8th Plenum of the party Central Committee, and in accordance with what comrade Fidel said: "Life teaches us that things which happen can be foreseen if one stops to think of some solution with calmness. It becomes evident every day that our work can be better, that our work can be more efficient, that the problems can be solved."

[Question] What will the training program for labor union leaders in the sector be like?

[Answer] We intend to develop a training process for the secretaries of the sections, labor union bureaus and intermediate organizations who take care of the sector, as well as for members of the work councils, activists and labor inspectors.

Besides the cycle of seminars and lectures in 1984, the provinces and labor unions must make arrangements to use the facilities of the labor union elementary schools throughout the country to dedicate the third term to labor affairs secretaries and council members--some 13,000 comrades.

Courses will be offered also in the Lazaro Pena provincial schools, and the necessary arrangements must be made in the provinces for the enrollment of the sector's cadres in the courses of the labor studies institutes (IPEL) [Provincial Institute of Labor Studies].

A source of concern on which we must insist is the attainment of stability for all comrades taking care of the sector, preventing as much as possible their removal or transfer to other secretariats or to duties of administrative nature.

[Question] What other basic aspects should be taken into account to do a better job in this sphere?

[Answer] Under the policy we must follow and in the spirit of revolutionizing the tasks incumbent on the Secretariat, we set forth the following ideas and concepts in addition to the general outlines previously stated:

- To perform with modesty, but with full intransigence, the real role of counterpart [contrapartida] whenever necessary.
- To defend the rights, and at the same time educate and persuade in the performance of duties.
- If we are capable of mastering the technical aspects and defending the rights of the workers, acting jointly with them in the management, channeling and solution of problems, we will be lending prestige to the sector and, consequently, to the labor union movement.
- Among all the secretariats, aggrieved workers resort to ours the most. They rely on us, and we must give them the proper attention, the prompt understanding and the energetic management of their problems.

- Once we are aware of the complaint, we must study it fully, assess the causes, and if necessary investigate and consult. If it is valid, provide the required solution, and if the worker is wrong, be explicit and go over the details until he or she is convinced.
- We have to foster realistically among our workers a sense of security and of trust in our behavior, whose concrete proof will be the earnestness with which we take care of their concerns and solve their problems.
- It is necessary that we do not wait for the problems affecting the workers to reach us through their midst. They have to be sought out, faced at their source.
- Initiative must get in fashion and mechanical and monotonous attitudes must get out of fashion. Create ideas, and if the methods do not work, put into practice new ones; be more dialectic every day.

[Question] Could you tell us more, for example, about the work councils?

[Answer] I dare say that the work councils lack attention, support, recognition, training and incentive. The recognition that we must give them should start with the homage to the 20th anniversary of their founding, and keep on day by day. That will be the only alternative to keep them active, acknowledged and endowed with juridical personality!

It would be wrong to think that the administration will give the work councils all the credit they should have if we forget their existence when we occasionally visit the workplaces.

Another point: We must shift to the offensive in everything concerning the defense of the vital interests of the workers. There is evidence that we fall short in the required role and that our basic goal is not being attained in either quantity or quality. I do not believe it is necessary to go into details about the laws that are being flagrantly violated with impunity. It would suffice to recall that infractions exceed 12 million in the five inspections carried out.

Everywhere there are those who like to violate laws, trample rights, apply extreme measures, abuse power and oppress the workers (fortunately they are a minority); but it is evident that in spite of what we say and do to have respect for the current labor and social legislation, some carry it to its utmost extreme with some pleasure and violate the limits of reason with obvious intention. Against that group, there can only be the appropriate response and the vigorous counterpart, but not without first having prepared ourselves reflectively and technically to be ready for action.

We must use our capability and initiative in the unceasing search for methods that will make it possible to detect the causes of annoyance of the workers, and set up a suitable plan of action to eliminate them.

There should be an open, reasoned and argued attitude; our cadres are not lacking in prestige or authority, and neither are they lacking in power of conviction, persuasion and reason. The laws are enacted in a revolution that is "of the workers, with the workers and for the workers" by reason of party policy and constitution. Those laws bear the signature of the person who in the 15th Congress said that "the working class is the backbone and the soul of the revolution"--our commander in chief.

8414

CSO: 3248/691

DOMINICAN REPUBLIC

MAJLUTA FACTION DEPUTIES AGAINST MADRIGAL PROJECT

Santo Domingo LISTIN DIARIO in Spanish 10 Jun 84 pp 1, 13

[Article by Saul Pimentel]

[Text] Twenty-nine deputies said yesterday afternoon that they will not vote in favor of the Madrigal project because they consider it to be "economically, financially and technically inadequate for solving the problem of supplying drinking water to the capital city."

The legislators, all belonging to the group within the Dominican Revolutionary Party (PRD) led by attorney Jacobo Majluta, stated their position in a communique warning that their decision is "categorical and definite."

They said also that the recent denunciation by the peasants of Madrigal to the effect that a high official of the PDR is initiating legal measures that question the party's ethics, strengthens the suspicion that this project "contains various angles of questionable purposes."

The deputies signing the document are William Soto Medina (vice president of the lower house), Carlos Lalane Martinez, Miguel Angel Reinoso Sicart, Tomas Hernandez Alberto, Amadeo Lorenzo Ramirez, Estela Altagracia Caraballo de Feliu, Victor Mendez, Rafael Ramon Diaz Filpo, Maria Elena Perez Ferreras, Tony Raul, David Escoto and Euclides Duran.

Also Juan Lopez, Juan Pablo Gomez, Carlos Julio Cuello Terrero, Lorenzo Polanco, Evaristo D'Oleo Mateo, Plinio Evangelista Rodriguez, Melido Feliz Medina, Pedro Alejandro Aguire, Juan Gil Batlle, Angel Salvador Forastieri Toribio, Ramon Custodio Fabian, Santana Perez Valdez, Marcos Martinez, Lorenzo Rosario Diaz and Ramon Garcia de la Cruz.

The text of the document reads as follows:

"The thorough study of the project for the construction of the Madrigal dam leads us to believe it is economically, financially and technically inadequate for a project promoted as the solution to the provision of drinking water to the capital city.

"To this belief we now add the denouncement by the peasants residing in the zone affected by the Madrigal dam, who accused a high official of our glorious PRD of undertaking legal measures that question the ethics of the party, an embarrassing fact that disturbs the entire Dominican people and strengthens the suspicion that said project contains various angles of questionable purposes.

"For these reasons we have decided, after long deliberations, to assert categorically and definitively that we will not vote in favor of the project for the construction of the Madrigal dam.

"We adopt this historical decision convinced that with it we assume the defense of the purest of the ideals of the PRD at the same time that we preserve the most legitimate interests of the country."

They Ignore the Resolution

The deputies loyal to Majluta announced their definitive rejection of the Madrigal project, ignoring the resolution of the political committee of the PRD that forces the legislators of that party to favor the above-mentioned legislative measure.

Last Friday the general secretary of the PRD, Winston Arnaud, said that a document containing that measure was delivered recently to the presidents of the senate and the chamber of deputies in order to remove any doubts.

He reported also that this Monday at 7:00 am a meeting will take place at the PRD's national headquarters, at which attendance is compulsory for all the deputies of the PRD.

Even though Arnaud warned that the deputies who do not attend the meeting should present valid justification to the party's leadership, the vice president of the chamber of deputies, William Soto, said yesterday that none of the legislators who signed the communique will take part in that meeting.

"Our position is expressed in that document; we will not even attend Monday's meeting" said Soto Medina, who along with deputy Tomas Hernandez Alberto and the reporter Orlando Gil, an aid to attorney Majluta, delivered this communique to LISTIN DIARIO.

The president of the chamber of deputies, Dr Hugo Tolentino Dipp, called an extraordinary session for Monday at 9:00 am to explain the Madrigal project.

9907
CSO: 3248/693

TWO PCG MEMBERS ARRESTED IN CONNECTION WITH ARC BOMBINGS

Paris LE QUOTIDIEN DE PARIS in French 30 Jun-1 Jul 84 p 28

[Article by J.-M. B.]

[Text] The struggle against expansion of terrorism in Guadeloupe is perhaps entering a new phase with the discovery on 27 June, in the home of a 32-year-old militant communist, Julien Eugenie, of a cache of 55 kilograms of explosives.

These originated from the famous dynamite theft at Arnouville in February 1983, which has since provided the supply for all attacks carried out thus far in Guadeloupe and Martinique by the Caribbean Revolutionary Alliance (ARC). However, Julien Eugenie was only a recipient of the explosives, which had been turned over to him by Jocelyn Olime, born in 1960, a municipal employee in Point-a-Pitre, whose communist mayor is Dr Henri Bangou.

The functions of Jocelyn Olime in the Communist Party of Guadeloupe (PCG) are of interest to the further investigation and give new insights into the nature of terrorism in the Antilles. Olime has been a member of the PCG for several years. He leads the subcommittee on sport and culture of the Communist Party section at Point-a-Pitre, which is headed by Daniel Denies, assistant to the mayor and his personal friend. He is also a member of the Union of Guadeloupian Communist Youth (UIGC), which is headed by Jean-Claude Lombion.

Charged with possession of stolen explosives, he is being defended by lawyer Bredent, a PCG member of the same Point-a-Pitre section as his client.

In a radio statement yesterday morning, PCG Secretary General Guy Daninche disassociated himself from Olime; he used the terms black sheep and former comrade. This was in contradiction to the communique of the UIGC expressing total solidarity with one whom it described as "a victim of French colonialism," and calling for his immediate release.

Are we moving toward a break within the PCG between the old guard and the activist young guard? In fact, there is total confusion, especially since there are persistent rumors about participation in the affair by an important member of the PCG leadership. Another disturbing feature of this affair is the flight of Max Celeste, secretary of the Workers Struggle movement, Trotskyite tendency, who was reportedly in league with Olime. Until now, the PCG had taken care in official "anticolonialist" demonstrations not to compromise itself with the activist independentists of the Movement for Independent Guadeloupe (MPGI), the Union for Liberation of Guadeloupe (UPLG), or Workers Struggle.

BARRANTES SUFFERS POPULARITY DROP IN MAY POLL

Lima CARETAS in Spanish 28 May 84 pp 12-13

[Text] Not much time has elapsed since the kiss of fame greeted Alfonso Barrantes Lingan, in November 1983. Nevertheless, it is evident that the harsh reality, as it is usually called, and the erosion of power do not spare even the Red mayors of Lima.

And Barrantes has started to view himself in the cracked and broken mirror of the declining, sharply declining polls.

Four political polls taken by Datum in the metropolitan area throughout the summer (the last one between 8 and 15 May) seem to indicate that, although the political honeymoon of Frejolito, the old bachelor, reached torrid heights, the 7-year itch has now begun.

It was during January that Barrantes paid the first visits to his neighbor the Plaza de Armas. He requested of the central government a transfer of 47 billion soles to cover an opening deficit of the provincial council, and sought the backing required by the World Bank to negotiate a large loan.

These actions did not hurt his popularity: The index of approval recorded by Datum in February was almost identical to the plurality of 36.4 percent that gave the victory to the IU [United Left] candidate in November.

During those weeks, Barrantes headed a first (and to date the only) Operation Cleanup in Cercado and La Victoria (also a Red council). In addition, he amnestied the street vendors who had been seized by the outgoing administration of the populist Eduardo Orrego, and kept the bruised and bruising sheriffs in the limbo of instability. And if clubs were handed out, soon the vendors' leader, Guillermo Nolasco, one of his council members, was there to rub in the liniment.

In February, annoying one authority after another, Frejolito demanded a special legislature to pass the municipal law, and promised to remain in office until 1986, unless the masses forced him into the Pizarro House.

And in March, the distribution of glasses of milk began in La Reserva Park.

In all, his popularity rose to 45.3 percent in March, and to 49.9 percent in April.

But then the municipal IU refused to assume responsibilities in the transportation sector and in the disagreeable task of readjusting the resultant rates, despite the fact that the transfer of duties had to be made by constitutional mandate.

Barrantes eventually accepted the duty (the World Bank loan is tied to this arrangement), but his aloof attitude at the time may have contributed to a heightening of the level of disapproval (see graph).

Simultaneously, the dialog with the vendors was plagued with marches and countermarches, causing invasions of certain inflexible areas established by Orrego and threats of business closings.

And Cercado, which in recent years had achieved a greater cleanliness, was neglected again.

In April, an attempt at relocating street vendors failed, and many of the municipal employees of the city went on strike, demanding raises agreed upon with the previous council members.

In the provincial area, the conflict was avoided by an increase of 150,000 soles per month, which was later increased to 212,000 soles. But many of the districts (La Victoria in particular) become submerged in chaos.

The spectacle offered by the municipal left, devastated by strikes, proved amusing. The inquisitors of the perpetual opposition in uncomfortable difficulties in power! It is one thing with a guitar, and something else with drumming and the muttering of newspapers, radio and television; and upon completing his 100 days, Red Frejolito fell from the frying pan into the fire.

It was amid those disorders that, on 7 May, Barrantes left for Washington to negotiate with the World Bank.

It turned out that he did so without asking the council's permission and violating the municipal law (a point denounced by Ricardo Blume Fortini, a PPC [Popular Christian Party] council member who does not forgive anyone), and an impression of misgovernment was marked.

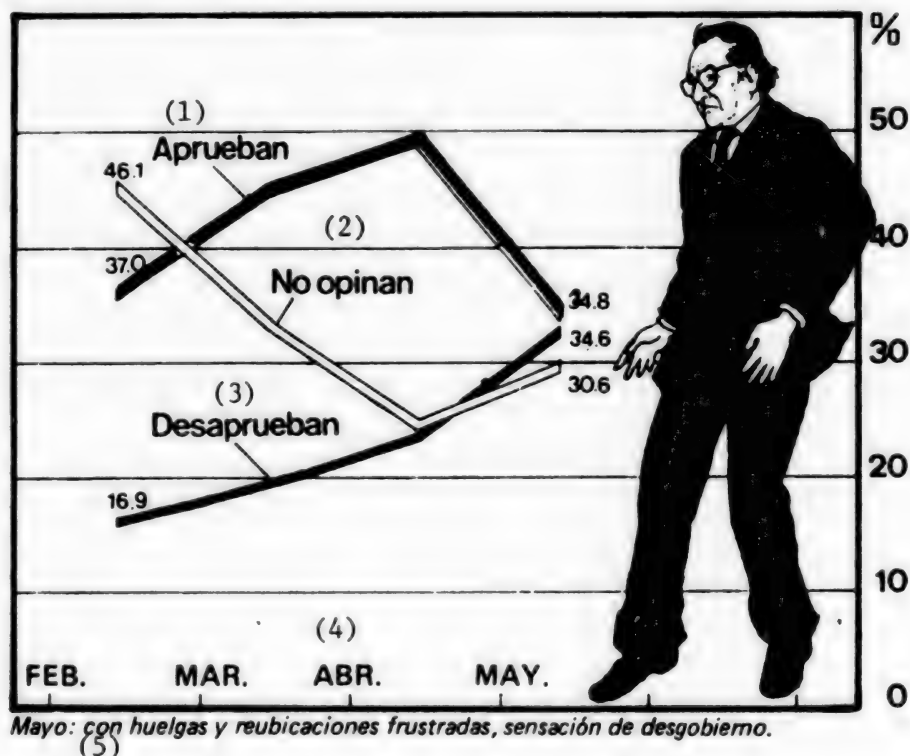
On that very week, Datum took its last poll, showing a sharp decline in the mayor's index of approval, and a rise in that of disapproval.

Now, the situation has deteriorated even more: The workers of the Provincial Council, who had been promised by him a raise of 212,000 soles in April, had the poor taste to demand it.

On Thursday, 24 May, they began an "indefinite" strike which they stopped on Friday, postponing it until Tuesday, 5 June.

In order to keep the commitment, Barrantes needs an additional government appropriation of 56.7 billion soles, but the minister of economy and commerce, Jose Benavides Munoz, claims that he has only 3 billion soles.

The \$82.5 million in the process of the World Bank loan could work miracles for any municipality, but there are doubts about IU's capacity to complete the process (or, in any case, to complete it before a man such as Julio Cortez, whose surname does not detract from his courage, ends up chewing Frejolito). Cortez is a leader of the most radical wing of the Municipal Workers Federation.



Key to Graph:

1. Approve
2. No opinion
3. Disapprove
4. Apr
5. May: With thwarted strikes and relocations, an impression of misgovernment

2909

CSO: 3348/475

GOVERNMENT CRITICIZED FOR ENCOURAGING RESORT TO VIOLENCE

Lima CARETAS in Spanish 11 Jun 84 p 27

[Text] During the past few years we have moved from strikes to the seizure of premises, and from the latter to the hunger strike, as factors that regularly accompany a demand. They are no longer extreme expedients, but rather ordinary components of a process designed to gain attention for any demand.

Let us review some examples in recent weeks. In Cuzco, thousands of peasants, arriving in the city from La Convencion, threatened to seize several local premises at the end of May if their demand of ENACO [National Coca Enterprise] for a better price for the coca that they produce was not met. Only 3 days after the rebels seized the church of St Peter (where 100 peasants began a hunger strike, later announcing its extension), the state enterprise agreed to purchase an arroba for 40,000 soles, instead of the 25,000 that it had been paying; and the conflict ended.

During the same month, thousands of civil construction workers seized the premises of the general management of the Peruvian Institute of Social Security [IPSS] one afternoon, protesting the lack of medical care and other shortcomings in the services for which they were paying. After 3 hours of negotiation, IPSS capitulated, agreeing to provide for the workers, normalize the medicine supplies and hasten the collections from business firms in arrears which had caused stoppage of the service.

The cases have multiplied. In order to request something effectively, it has become increasingly necessary to accompany the request with a violent demonstration, as a means of ensuring the attention that is being demanded. What does this behavior, which is becoming widespread, bode? Is it a result of the extremism associated with Shining Path, or is another explanation to be found?

In a major analysis of the positions and conduct of trade unions, recently published by Jorge Parodi and Paca Balbi, the reasons for resorting to a strike are investigated among the leaders. Contrary to what one might assume, most of those interviewed explained in a very consistent manner why striking is detrimental to the workers; but, at the same time, they claim that it is the only way to attract the attention of the company and of the Ministry of Labor itself. Furthermore, most of the trade unionists express regret that

the authorities concern themselves with resolving labor conflicts only when there has meanwhile been a strike or a more drastic measure.

The system has to be threatened in order to concern anyone. It is not that the citizen has rights that are acknowledged for him; rather, his rights are acknowledged to the extent to which he manages to force that acknowledgment. There is more than inefficiency on the part of the state: It is the surviving oligarchical laziness that is interrupted only by a social threat.

In more recent years, the popular organizations have discovered this real operation of the state which, in fact, has ended up encouraging recourse to force. The open method, however, contains several major risks.

The first risk is excesses. Once the usefulness and efficacy of the violent expedient is understood, it can be seized upon for very minor purposes. We are observing how hostages are taken to reach a solution to labor problems; this is obviously a disproportionate use of force.

The second risk lies in erosion. The use and abuse end up causing indifference. Seven years ago, when journalists of all political persuasions held a hunger strike to obtain from the Morales Bermudez government the lifting of the shut-down of magazines, the measure had an impact that not even the model newspapers could conceal. Today, the hunger strike, eroded, is news for an inside page and one column. This erosion can discredit not only the expedient, but also a truly important cause, which could therefore go unnoticed.

The third risk is the most serious one: As a result of this widespread use of force to obtain recognition, the distributive irrationality prevails in the results. By giving attention to those who most radicalize their measures or have the greatest capacity for making their demands heard, one does not protect those who most need it. For example, this is perceived in the preferential treatment finally being received by the unionized workers, in contrast to those who do not even have a stable job, and hence lack organization for exerting pressure; and, therefore, their living standard is lower.

Although this way of exerting popular demands has been carried out against governments (both military and civilian) with great indifference toward the needs of those of the lower class, its repercussions on a different type of government could be fatal. In order to build a truly different society, APRA [American Revolutionary Popular Alliance] in 1985, or United Left in 1990, would have to channel the popular pressure in a way that will ensure that those who need it most will benefit.

2909

CSO: 3348/475

LEE MOORE REPORTS ON TALKS HELD WITH U.S. OFFICIALS

Basseterre THE LABOUR SPOKESMAN in English 2 Jun 84 p 12

[Text]

At a massive public meeting held at the corner of Central Street and Market Street on Thursday night (31 May), Comrade Lee L. Moore, Leader of the Labour Party, reported on his six-day trip to the United States of America from where he had returned that same evening.

Mr. Moore told of a banquet dance hosted by "Labour New York" on Friday 25 June in the Bronx at which Dr. C.M. Sebastian, Mr. James Buchanan and himself had been guests-of honour and at which he had delivered an address.

On Sunday 27 June there had been a full length meeting with Kittitians in New York at which the impending-general elections and the severe problems of St. Kitts had been discussed.

The meeting had called upon Kittitians to do everything in their power to remove the corrupt Simmonds government from power.

On Tuesday 29 and Wednesday 30 June, Comrade Moore said, he and his delegation had visited Washington, the U.S. capital, and held talks with U.S. officials.

The most important discussions had been with Assistant Secretary Gillespie of the State Department. Mr Moore had expressed the growing concerns of

Kittitians that the PAM leaders were seeking to subvert the electoral process to ensure that the next elections were neither free nor fair.

Mr. Gillespie had expressed the story desire of the U.S. government that the elections should be free and fair and had said that the U.S. government would do everything in its power to ensure fair elections.

Mr. Moore also discussed the charges of corruption against the Simmonds government and gave information about specific acts of corruption by the government.

Comrades St. John Payne and Fitzroy Bryant also spoke at the public meeting. Comrade Payne called attention to how the Simmonds government had destroyed the economy of St. Kitts.

For his part Comrade Bryant referred to the honouring of the late Hon. Robert Llewellyn Bradshaw earlier that day by the Caribbean Studies Association Conference being held at Roval St. Kitts, Frigate Bay.

He condemned the corrupt practices of the Simmonds gang and revealed that even certain high-up members of PAM were fed up with the corruption of certain Ministers of Government.

One of them had given a copy of the secret PAM Manifesto for the June 1984 elections to the Labour Party. Comrade Bryant held up the Manifesto, exposing it to the crowd and showing some of the contents of the Manifesto.

All the speakers urged the people of St. Kitts to vote out the Simmonds government and to select the Labour team to rescue St. Kitts and redeem the time.

LABOUR PARTY REVIEWS MAIN POLICY PRINCIPLES

Basseterre THE LABOUR SPOKESMAN in English 2 Jun 84 p 8

[Text]

The St. Kitts Nevis Labour Party always has been, now is, and ever will be, a Party for the people; all the people.

The philosophy of the Labour Party has developed out of the Party's belief in the freedom, independence and dignity of the individual.

The policy of the Party reflects its belief in the fundamental principle that the care of human life and happiness is the most important object of good government.

The plans and programmes of the Party give practical exposition to its philosophy and policy, and re-inforce and underpin the Party's commitment to the continual improvement of the welfare of the family and the individual.

The history and record of the Labour Party show that from the beginning the leaders of the Party are being motivated by an unselfish desire to better the conditions of the suffering masses.

Labour has taken the people of St. Kitts from behind God's back and led them into the radiance of His smiling face.

Labour has brought the people of St. Kitts out of the dungeon, darkness of hunger, disease, illiteracy and disrespect into the marvellous light of literacy, good health and esteem.

Labour has been a reliable and remarkably successful champion of the cause of the poor, the weak and the deprived in their struggle for human dignity and personal recognition.

Labour always has been a faithful defender, protector and friend of the people in their fight for justice, freedom and dignity.

Labour believes that every man and woman in this country has an inalienable right to a livelihood regardless to the political party that he or she supports and Labour will safeguard this cherished right.

Labour believes that no one should be above the law, but that everyone should have equal standing before the law.

The present widespread suffering and despair in the population brought about by the tyrannical rule by the PAM political interlopers, have caused the people of St. Kitts to recognise and admit the extraordinary progress made and the accompanying benefits provided, by previous Labour Administrations.

The people of St. Kitts are ready to act on their conviction and elect another Labour Government to redeem the country, and make it an island of peace, safety and progress once again.

CSO: 3298/954

BRYANT CASTIGATES SIMMONDS, PNM ON KEY ISSUES

Basseterre THE LABOUR SPOKESMAN in English 2 Jun 84 p 11

[Article by Fitzroy Bryant]

[Text]

Kennedy Simmonds must have felt like a real jackass when he sat before the ZIZ t.v. cameras yesterday morning recording the speech in which he notified the people of St. Kitts that he had advised the Governor-General to dissolve the National Assembly to make way for general elections on Thursday 21 June 1984.

I had informed Kittitians several weeks ago that the National Assembly would be dissolved on Thursday 31 May and that elections would be held on Monday 18 June.

But I had also warned them that, in an effort to prove me wrong, puppet Simmonds might advise the Governor-General to dissolve the Assembly a day or two later than Thursday 31 May and might put the elections for a few days before or after Monday 18 June.

So the people of St. Kitts, weeks ago, were made ready for what Simmonds came to tell them last night. F.E.J. must have felt like a real jackass.

And then, to cause him even greater embarrassment, I "presented" his secret Manifesto to the public on Thursday night before he could do so last night. Even some of his close colleagues are totally opposed to the continued sell-out of St. Kitts and are helping Labour to remove the corrupt gang.

I'm told that, to hide their painful embarrassment, some of the PAM trumps are saying that Labour didn't really have a copy of the PAM Manifesto and that the document I held up was a fake.

I anticipated that response - it isn't really difficult to anticipate the PAM leaders for they are without real intelligence - and I took the following precautions -

* I allowed many persons in the large Thursday night crowd to inspect the Manifesto, to look at the photographs of the candidates on the inside back cover, including the new candidates, and to examine the heading "PAM MANIFESTO 1984" on the first page of printing inside.

* I gave the Manifesto to the representative of overseas news media to check out the whole document.

* I sent it around town yesterday afternoon, before the broadcast, while the Labour meeting at Cardin Avenue was being advertised.

* Most significantly, I copied out a few lines of the Manifesto in my "Frankly Speaking" column last week Saturday. When you get a PAM Manifesto in your hand, look at the second paragraph of the Foreword, then compare it with the tenth paragraph from the end of my column last Saturday, beginning "4 years of mismanagement by PAM...."

IS SHAME THEY SHAME

Is shame they shame, talking bout fake Manifesto cover. Simmonds must have felt like the real jackass he is when he got the news Thursday night and while he was talking on ZIZ t.v. and radio yesterday.

Time has run out for Simmonds and his corrupt gang. They have been dodging and dodging during the past few weeks but they can't dodge any more now. 19 more days for them and their corruption.

And they stupid too. You can imagine any political party with sense giving the job to print their Manifesto to a group named "Gimmick Advertising" and then proudly boasting about it to the public.

Either they don't know what the word "Gimmick" means or they don't give a damm.

The election campaign is now formally launched. The electorate will have to examine two main aspects very carefully - (1) the issues, and (2) the men.

The issues have been talked about all over St. Kitts. Regardless of Simmonds' ballahoo-brained effort to divert attention from the key matters, the vast majority of people in St. Kitts are agonizing about -

* Nevis having its own separate government and St. Kitts having none.

* Nevis politicians bossing St. Kitts but the St. Kitts politicians not having any say at all in the government of Nevis.

* Nevis having 3 seats for 9,000 people and St. Kitts having 8 seats for 36,000 people.

* The sell-out of Bayfords, Royal St. Kitts, Priars Bay, ZIZ t.v., etc. And the government's attempts to hide the sales until the Labour Spokesman publicised them.

* The destruction of the sugar industry and the economy of St. Kitts, with the government being broke and private businesses catching hell.

* The blatant corruption of Michael Powell and certain other Ministers of Government.

* The high cost of electricity, land and house tax, food, clothes, building materials, etc.

* The fact that the young people can't find work to do and that there are qualified young men and woman roaming the streets unemployed.

* The sale of St. Kitts passports and citizenship to millions of Chinese fleeing from the South China Sea.

Etc., etc. The list is endless. The people of St. Kitts want to know the truth about Kennedy Simmonds, the \$1½ million and the "Caribe Queen". They want to know why he is afraid to talk about the \$400,000 (U.S.) he took to America allegedly to buy a boat which was later said to be a gift.

They want to know about their National Provident Fund money, the \$12 million they were supposed to get back in their hands in February 1980.

Civil servants, pensioners and non-establishment workers want to know about their 1984 increase which they should have received in January 1984.

As for the men, just look at the four new candidates presented by PAM and try to compare them with the three new candidates presented by Labour:

PAM

Consie Mitcham
Roy Jones
Tunka Francis
Irving Sweeney

Labour

Dr. C. M. Sebastian
James Buchanan
Halva Hendrickson

HIGHLY QUALIFIED PROFESSIONAL MEN

Each of Labour's men is a highly qualified, experienced professional man, not only with university education but with a long history of committed community service.

The PAM men are a sorry lot. Roy Jones, Funka and Sweeney are scrabbling looking for work to do, unqualified aspirants hoping for some thousands of the taxpayers' dollars to help them out. Consie is frustrated, fidgety person who reminds one of a jumbie that has lost his call.

You mean PAM couldn't find some better candidates? Hugh Heyliger has already been roundly rejected by the St. Kitts electorate. What they bring him back for? more licks, I suppose.

Simmonds, Powell, and Morris, the rest of the PAM team, are like drowning rats holding on to one another.

Morris looks like he's afraid of Cayon. I see his car parked at Upper Market Street morning, noon and night, including all night. What he doing up there?

If Powell delivered himself into the hands of the good doctor, Dr. Cuty, he would be much better off, don't you think? Especially at this time.

Simmonds has the certain look of defeat engraved on his face. He knows that his days are numbered. But he shouldn't complain. He has oppressed and victimised so many people that his conscience should have choked him already.

All of them have conspired to ruin St. Kitts and to bury St. Kitts people alive. But their time is up.

CRITICISM OF CATO OVER ATTORNEY GENERAL CONTINUES TO GROW

Pressure-Group Statements

Kingstown THE VINCENTIAN in English 15 Jun 84 p 1

[Ken John column "This Week": "Clearing the Decks"]

[Text]

It really astonishes to observe the skilful ease with which the Labour Party has bamboozled the public on the straightforward problem surrounding the A.G's contempt. The matter has been licked out of shape, distorted and tortured into disfigurement almost beyond recognition, and virtually lost in a maze of propaganda and double-talk.

Yet the core issue remains simplicity itself. Is the Attorney-General guilty of contempt; yes or no? If he is, should political punishment follow? If so, ought he to be shifted away from legal affairs or dismissed as a Minister altogether? The arguments are that clear-cut.

The plain fact is that Grafton Isaacs was found guilty of contempt of court by our Appeal court in 1981. At the least, he should have been made to take a back seat then, until his name had been cleared, in much the same way that lesser public servants have to face suspension pending an enquiry into charges brought against them. Nothing happened in Grafton's case, and few eye-brows were raised.

In May 1984 the Privy Council heard the appeal of Isaacs who had visited London for the occasion. So, too, did Othniel Sylvester, President of the local Bar Association, who reported back to all and sundry in St. Vincent that the Privy Council, in an oral judgment delivered in the presence of Isaacs' solicitors, had dismissed his appeal with costs. Sylvester further noted that Isaacs was in the gallery at the time the judgement was handed down.

Swayed by the "news" a vocal section of the public wants something done immediately. The Bar Association, for example, has formally demanded the removal of Isaacs from the Ministry that is charged with the administration of justice. The N.C.D.D., on the other hand, is

of the view that Isaacs should be disqualified from holding any Ministerial post whatever. To be satisfied with a mere Ministerial reshuffle is to hold, as Justice newspaper pointed out, that any other than the Law Minister could disrespect the court with political impunity! Furthermore, we may very well end up with the ridiculous situation where Isaacs is posted back to the Ministry of Communications and Works which he held at the time he committed the act of contempt!

HIDE AND SEEK

The Government, for its part, has been playing for time while holding its cards close to its chest. The official line is that the P.M. will not be "stampeded" into any precipitate decision. Isaacs' Cabinet colleagues will not react to "unconfirmed reports", base their action on "hearsay" or respond to the requests of the "biased" opposition and their "misguided" backers.

According to the new Labour Party logic, something is true or false depending on who utters it. The Reverend Duff Walker—James OM, J.P., weekly edits the gospel truth in the "Star".

Everything spoken by the "opposition" or appearing in their various "rags" is, by that very fact, "misleading" and "malicious." So Unity is not to be believed when, in providing background material to the case, it publishes quotations (word for word) from the written judgment of the Appeal Court as well as Grafton's own submitted affidavit. And what Sylvester reports as having seen with his own eyes and heard with his own ears, is deemed unreliable "hearsay." The question, then, is what "hearsay" evidence did the A.G. pass on to his political boss?

If the Attorney—General understood that judgment had been reserved or the issue otherwise left unresolved, two explanations are in order. Firstly, why on his return from London did Grafton find it necessary to inform his constituents that he was not going to resign as Attorney — General; secondly, why did he hustle to court seeking to discharge the Court Order on which the Contempt was based, after it had been hanging fire for over the years!

POLITICAL EXPEDIENCY

Other questions pose themselves. In this age of modern communications, will it take more than four weeks to have direct word from the Privy Council, if sought, or an answer—back from our High Commission in London? Is it necessary to wait for a formal setting down on paper of reasons for a decision against which no further appeal can be entertained? Unless the intention is to buy time and lose the whole sorry episode somewhere the revelry of carnival and the excitement of the celebrations to mark 150 years of emancipation, and finally drown it in the clamour and din of the General Election soon to follow.

If that is the strategy the corresponding tactics and plan of action run true to form. Among these is the deliberate misrepresentation of the real bone of contention as a fight for land between two lawyers in which the public could

have only a bare interest. At this point, however, one cannot help wondering what the position would have been had a Minister in some other Government been found guilty of contempt with Cato, Graffie and Arthur in Opposition!

Like George Thomas, I am not so unrealistic and impractical as to want to apply to the local scene the prohibitively high standards of the British approach to politics. But the line has to be drawn somewhere. There must be adherence to some basic principles if we are to survive as a civilised nation. I can only hope that the Prime Minister does not allow himself to be painted into a corner from which he can escape only by creating a huge mess.

Perhaps the Contempt Issue should be the topic on "Views on Issues" with a panel of Isaacs, Sylvester and either Parnel Campbell or Andrew Cummings. The environmental stench dealt with last Sunday will take care of itself once we first see to our own moral decay as evidenced by the apparent conspiracy unceremoniously to bury a democratic principle alive. Here again, however, we appeal to the sense of decency of our P.M. under whose Ministry the Radio Programme falls!

Call for Cato To Act

Kingstown THE VINCENTIAN in English 15 Jun 84 p 2

[Text]

KINGSTOWN, June 13, (CANA)

Two Opposition Parties, reacting to last week end's armed police raid on the home of a leftwing political activist Kenrick Rose, called today for the dropping of a charge against him of being in possession of prohibited literature.

The United Peoples Movement (UPM), of which Rose is Public Relations Officer denounced the police action and said it was an unwarranted show of force. Rose also edits the Party's newsletter.

The search for arms and ammunition was fruitless but police said they found copies of two banned publications *Soviet Weekly* and *World Trade Union Report*. Rose is to appear in court here on Monday to answer the charge which the UPM described as ridiculous.

The MNU condemned the raid which it described as "wholly unwarranted". It said the charge against Rose was "shameless use of an outmoded piece of colonial legislation which no self-respecting liberal society, including Britain and the United States would readily tolerate."

POLICE SEARCH HOME OF UPM LEADER FOR ARMS, AMMUNITION

Fruitless Raid

Kingston THE VINCENTIAN in English 15 Jun 84 p 1

[Text]

About eighteen armed policemen were involved last Sunday in a search for arms and ammunition on the premises of Renwick Rose, a leader of the United People's Movement (UPM) and Editor of the party organ Justice.

According to a release issued by the UPM the police party was armed with "sophisticated weapons". Some of the raiding lawmen who were dressed in what the release describe as "military fatigues" were placed in positions around Rose's house others proceeded with the search, which continued for about two hours.

Rose's yard was dug up and his house thoroughly searched. Neither arms nor ammunition was located. Rose however was charged for having in his possession three copies of Soviet Weekly and two copies of World Trade Union Report which according to the laws of St. Vincent are prohibited literature. These publications are not prohibited reading in either Britain or the U.S.

Rose was charged after being detained for ap-

proximately two hours. The case was called on Tuesday and adjourned until the 18th. Rose is being represented by Barrister—at—Law Adrian Saunders.

The Commissioner of Police, Mr. Felix Constantine was contacted in connection with the search, he said that "this is one of the many searches conducted by the police with warrants" in the course of their duties over the past few months.

The UPM is not the only political party that has come out strongly against the Police search of Renwick Rose's premises.

The Movement for National Unity led by Ralph Gonsalves condemned the action in no uncertain terms in the party organ Unity. The raid was described as "particularly distasteful." In a reproduced release Unity said, "the irrationality of it all ought to disturb law abiding citizens who well understand the trade marks of fascism which include irrationality, anti-intellectualism, Militarism and undemocratic rule."

Son Mitchell's New Democratic Party reported in New Times an extract from UPM's press release on the subject.

"On Sunday 10th June at about six O'Clock in the morning a party of at least eighteen policemen, most of them armed and trained by the United States Government, descended on the house of Cmde. Renwick Rose, one of the leaders of the UPM and Editor of its newspaper organ Justice. The police officers dressed in military fatigues were armed to the teeth with modern and sophisticated weapons. They took up combat positions in and around Cmde. Rose's house and proceeded to search for arms and ammunition.

Cmde. Rose's yard was dug up and his house thoroughly search. The search lasted for approximately two hours during which time the entire neighbourhood came out of their homes to witness the spectacle. It must be said that the policemen themselves who carried out the search treated Cmde. Rose in a cordial and decent manner..."

MNU Condemnation

Kingston THE DAILY GLEANER in English 14 Jun 84 p 7

[Text]

The Attorney General and Minister of Legal Affairs remained in office while this week saw further developments in the contempt of court issue.

The revived National Committee for the Defence of Democracy and the National Youth Council both issued press statements.

The National Committee in Defence of Democracy had, the week before, dispatched a signed petition to Prime Minister Milton Cato calling for the removal of Mr. Isaacs from office. The Prime Minister did not meet with the delegation and efforts to secure an appointment with him to discuss the matter have been unsuccessful. The release said the NCDD would continue efforts to establish a meeting with the Prime Minister.

Meanwhile, a public education programme is being undertaken by the committee. An information leaflet outlining

the Isaacs case is being distributed. Plans for internal discussions among member organizations and communities are underway, and on Monday, 18th a panel discussion will be held in Kingstown.

The National Youth Council issued a statement coming out of a recently held conference of delegates. The Council's statement reads in part:

"...That a man at the head of the legislative system in our country, should defy the orders of the court so as to outrage public opinion, and still be maintained in that office, without an explanation, is in the opinion of the conference, an insult to the moral values of our country ...

We believe that his removal will be in the interest and advancement of law and order in and respect for our country. And moreso, a victory for principle and morality."

CSO: 3298/956

CATO FAVORED IN ELECTION OVER FIVE OPPOSING PARTIES

Port-of-Spain TRINIDAD GUARDIAN in English 26 Jun 84 p 17

[Text]

KINGSTOWN, Mon., (Cana):

FACED with a splintered opposition, Prime Minister Milton Cato and his Labour Party start clear favourites to be returned in next month's general elections for a third straight term.

The five opposition parties are also in the race. The confusion in the ranks of Cato's opponents has been illustrated by the three changes in the holder of the office of parliamentary Opposition Leader since the last elections in December 1979, because of shifting loyalties among the three opposition members.

Labour won 11 of the 13 seats at that election, the first since Independence the same year but its parliamentary strength has been reduced by one with the defection of former Minister of Health Randolph Russell.

"The Star," the organ of the ruling party announced that elections will be on July 25, following the dissolution of parliament last Wednesday.

The announcement was not unexpected, though the timing was. It was thought that Cato, who is Minis-

ter of Finance, would have presented the 1984 budget before going to the electorate.

Russell, opposition leader at the dissolution of parliament said he was not surprised by the announcement. "I expected they'd call elections anytime," he told Cana. Russell formed the Progressive Democratic Party (PDP) soon after he quit Cato's cabinet in 1981.

The other parties likely to contest the election are former Premier James Mitchell's New Democratic Party, the United People's Movement (UPM) led by Oscar Allen, the Movement for National Unity (MNU) of Dr Ralph Gonsalves, and the St Vincent and the Grenadines National Movement (SNM) of Dr Gideon Cordice.

The last attempt to forge an alliance between the NDP and the SNM collapsed in April over the allocation of seats.

Cato's centre-right party is expected to stress its record of economic and social achievement, its participation in last October's U.S.-led invasion of Grenada to put down a Marxist military government, and its experience in government.

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